

2024

Dongfang Electric Co., Ltd.
Environmental, Social and
Governance Report

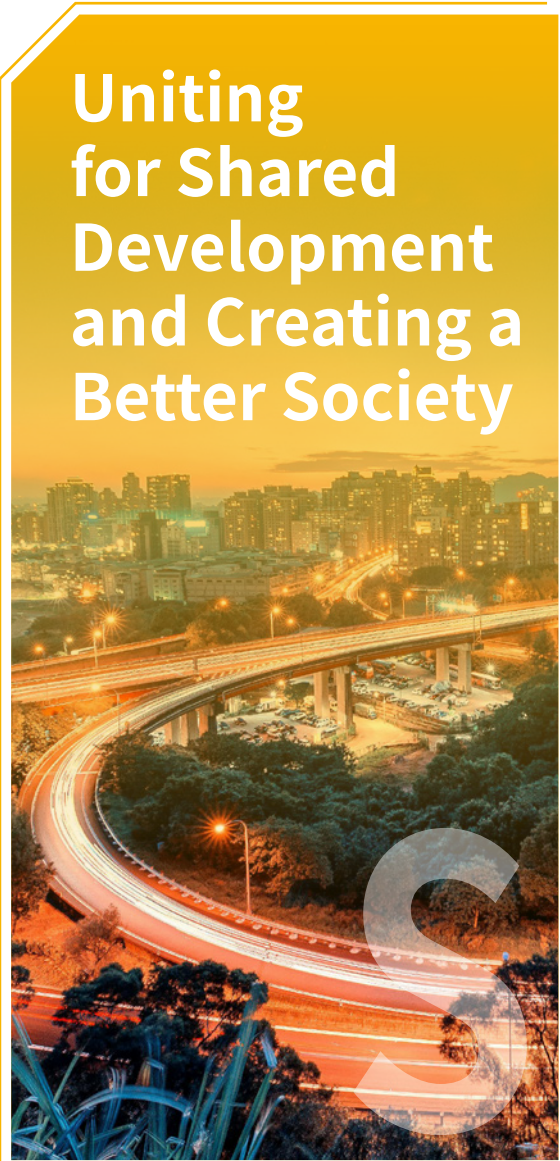


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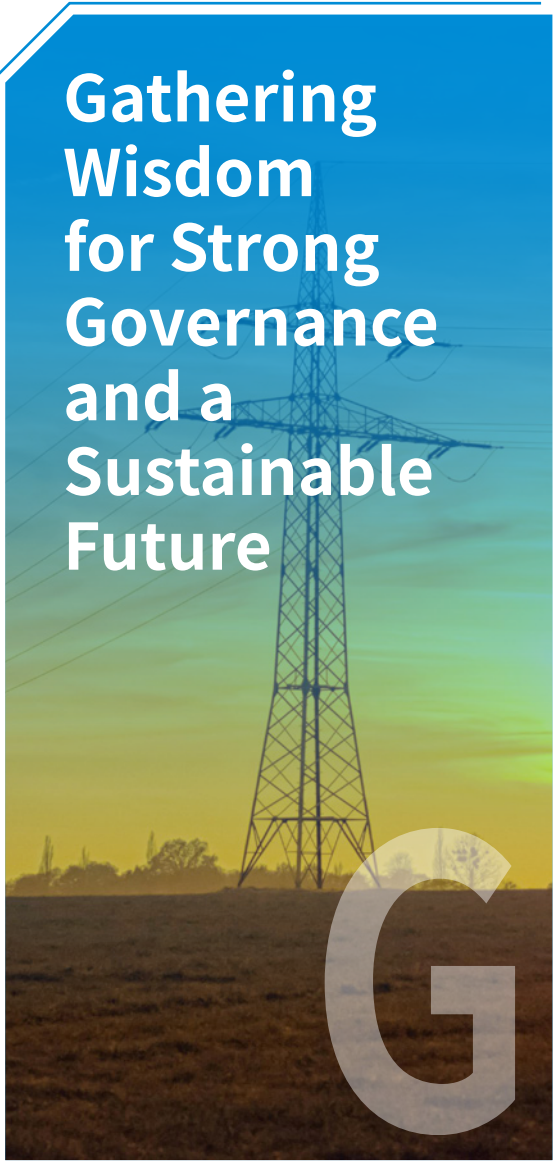
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Foreword

Driving Green Development and Fulfilling the "Dual Carbon" Mission. At the core of our strategy lies innovation in science and technology, underpinned by a substantial increase in our R&D investments aimed at achieving breakthroughs in pivotal technologies. This strategic focus has catalyzed significant advancements in our core equipment manufacturing capabilities. We are actively expanding our presence in the green industry, with a particular emphasis on the clean energy sector. Our commitment is highlighted by the establishment of green factories, where we implement energy-saving and emission-reduction technologies to minimize our carbon footprint and protect the ecological environment. Our dedication to green operations integrates principles of sustainable development into every facet of our management and production processes. Through a diverse array of initiatives, we are steering the company towards high-quality growth. In addressing the challenges posed by climate change, we are vigorously promoting the modernization of clean energy equipment manufacturing while facilitating the transformation and upgrading of our industrial practices, thereby contributing to the national "dual-carbon" goals. Notably, in 2024, DEC allocated 60.0% of its total investments to strategic emerging industries, marking significant achievements including the launch of the world's most powerful 26MW offshore wind turbine and the successful deployment of the largest 4MWth chemical looping carbon capture system globally.

Fostering Harmonious Collaboration for Mutual Success and Fulfilling Social Responsibilities. We are devoted to cultivating a harmonious and mutually beneficial relationship with our employees, customers, partners, and the broader society. Recognizing our employees as our most valuable asset, we prioritize the protection of their rights, ensuring their safety and health, and fostering an environment that is fair, secure, and fulfilling. At the heart of our operations lies customer satisfaction, guided by our service philosophy of "24-hour service, demand-oriented, satisfaction-pursued". We have established a comprehensive and responsive service network designed to offer our clients full-range, end-to-end, and round-the-clock professional support. Underpinned by our core values of "value co-creation for a shared prosperity", we have cultivated a symbiotic industrial ecosystem, working closely with our partners towards shared growth and prosperity. We harbor the aspirations of "national greatness", actively participating in rural revitalization with a strong sense of political responsibility and mission. Through industrial and educational support, we are contributing to the sustainable development of rural regions. In 2024, Dongfang Electric's total investment in rural revitalization: RMB 25.0311 million, earning the highest rating in the central government's assessment of paired assistance efforts for the fourth consecutive year.

Strengthening Corporate Governance for Compliance and Efficiency. We have embedded ESG principles into the core of our corporate strategy and operations, establishing a scientific and efficient governance framework. Upholding the principles of integrity and honesty, we engage in fair competition, adhere to business ethics, and oppose any form of unfair competitive practices. We continuously improve our internal control systems, strengthen risk management, and enhance information disclosure to ensure compliance and operational efficiency. The information disclosure of the company was appraised by Shanghai Stock Exchange as class A for 10 consecutive years.

Looking Ahead with Unwavering Commitment. As we conclude the 14th Five-Year Plan and look forward to the inception of the 15th Five-Year Plan in 2025, DEC remains steadfast in its commitment to the national "dual carbon" goals and ESG principles. We are resolutely advancing on the path to becoming a world-class enterprise. With innovation as our driving force, green development as our cornerstone, and social responsibility as our guiding mission, we will continue to contribute significantly to the sustainable development of both the economy and society, playing a pivotal role in forging a new era of Chinese modernization.

About Us

Company profile

Dongfang Electric Co., Ltd. (hereinafter referred to as "DEC"), headquartered in Chengdu, Sichuan Province, is controlled by Dongfang Electric Corporation. Through its development over 60 years, DEC has become one of the largest power generation equipment suppliers and general contractors for power plant projects in the world and has been listed on the Shanghai Stock Exchange (Stock Code: 600875) and the Stock Exchange of Hong Kong (Stock Code: 1072) separately.

DEC, as one of the pioneers in the electric drive era of China, grew from the three-line construction, developed on the reform and opening up, expanded in the new era, and gave birth to the "Spirit of Dongfang Turbine". DEC always upholds the entrustment of President Xi Jinping, stays true to its original intention to serve the country through industry, keeps in mind the mission of manufacturing power, takes "green power and future driving" as its duty, insists on self-reliance in science and technology, and implements the new development concept completely, accurately and comprehensively by aiming at the goals of carbon peaking and carbon neutrality, vigorously carrying out the "11256" development strategy, and accelerating the "green and intelligent manufacturing" transformation. DEC has established the industrial pattern of "simultaneous development of 6 power sources and coordinated development of 6 industries". Its products include wind power, solar power, hydropower, nuclear power and thermal power generating units (gas turbine generators, clean and efficient coal power), control systems, environment protection equipment, industrial chemical equipment, hydrogen energy, and fuel cells, energy storage devices and new materials, etc., DEC is dedicated to providing its customers with the comprehensive energy solutions integrating energy equipment, green and low-carbon equipment, and high-end intelligent equipment.

By striving to expand the overseas market and actively participating in the co-built "Belt & Road" initiative, DEC supplies the complete equipment and contracting service in more than 110 countries and regions in the world. Its main markets cover Southeast Asia, South Asia, Central Asia, the Middle East, Europe, Africa, South America and other regions. The power equipment exported by it has exceeded 90 million kilowatts. Since 1994, it has continuously ranked in the 250 Largest International Project Contractors elected by ENR—a global authoritative journal in the engineering construction field.

DEC, as one of the first groups of innovative enterprises and national technical innovation demonstration enterprises of China, has the State Key Laboratory, the national enterprise technology center, the national energy large-scale clean and efficient power generation equipment R&D center, the overseas high-level talent innovation and entrepreneurship base, the academician workstation and the postdoctoral research workstation. It has established a market-oriented multi-stage enterprise product development and innovation system to boost the sustainable and stable development of the enterprise, and help the state to build an "innovative country", "manufacturing power" and "digital China".

DEC supplies the complete equipment and contracting service in more than

110

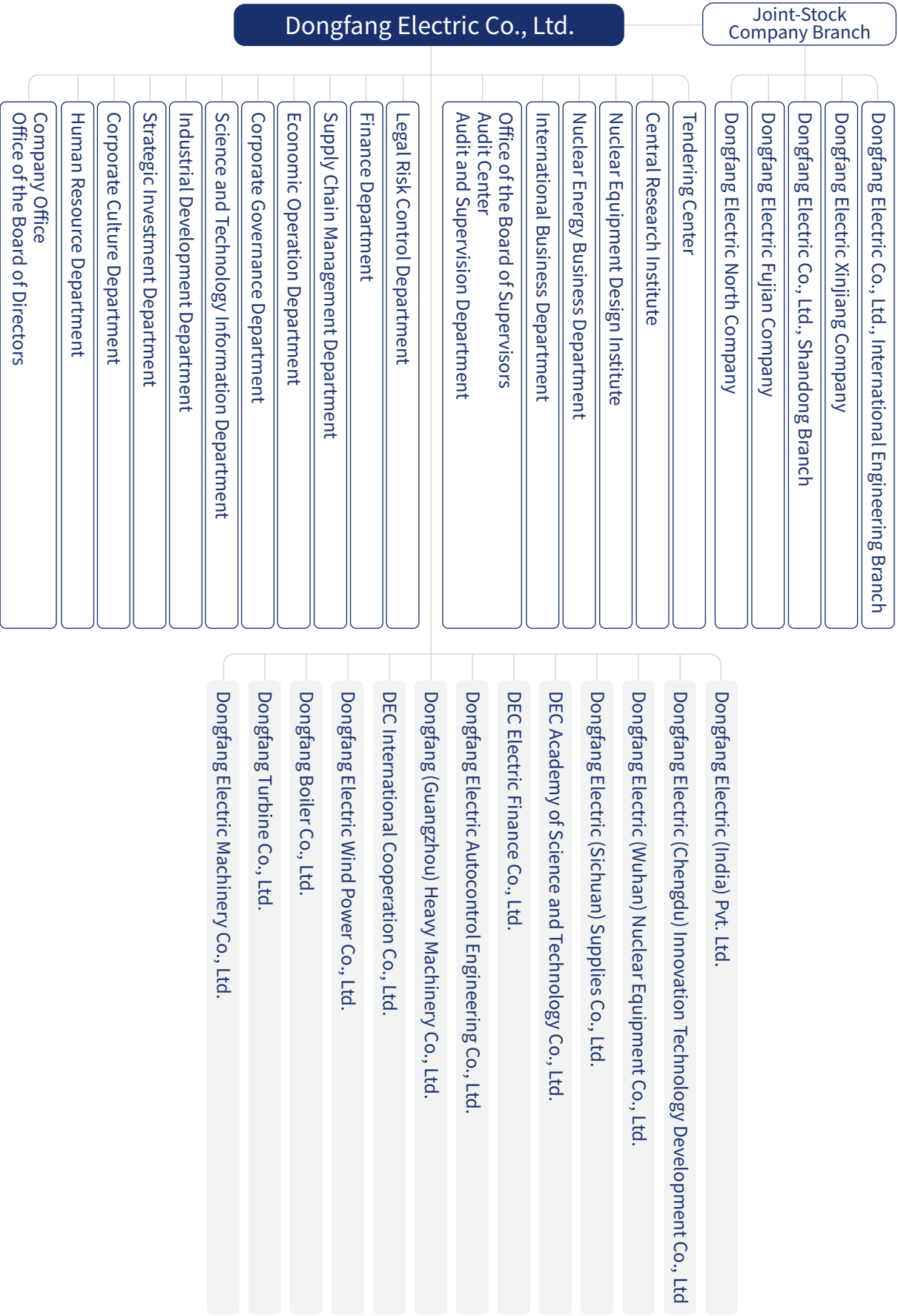
countries and regions in the world

The power equipment exported by it has exceeded

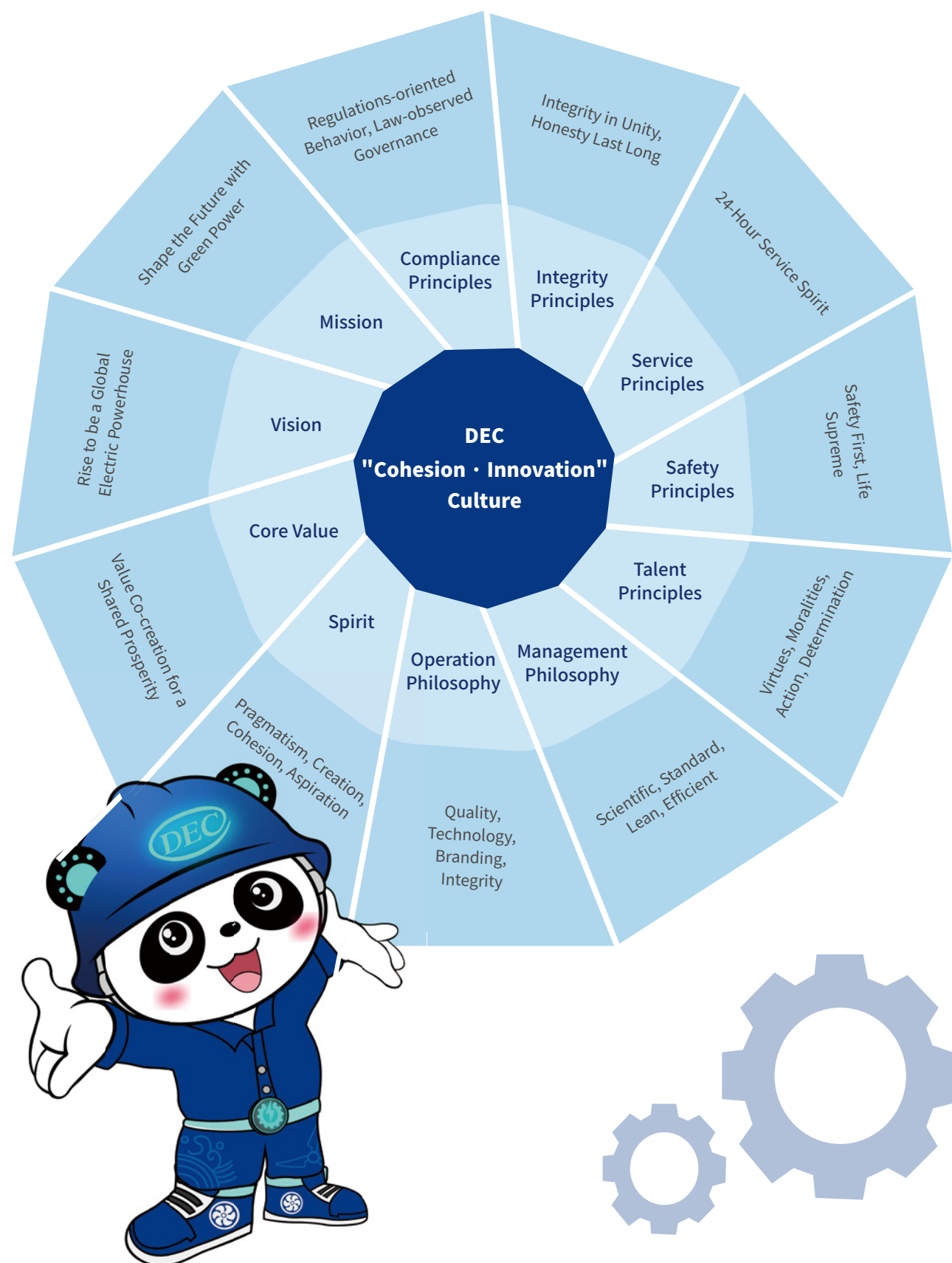
90

million kilowatts

Organization structure



Corporate culture



Industrial pattern

Simultaneous development of six kinds of electricity



Coordinated development of six industries



About this Report

Introduction

The Environment, Social, and Governance Report of Dongfang Electric Co., Ltd. (2024) is the 9th environmental, social, and governance report released by Dongfang Electric Co., Ltd. since 2017.

Reporting scope

This report relates to Dongfang Electric Co., Ltd. and its subsidiaries. The disclosure time frame of this report is from January 1 to December 31, 2024. Partial information given in this report has traced the necessary historical data.

All the data come from internal statistics and external documents of Dongfang Electric Co., Ltd. Unless otherwise specially indicated, all the financial data are measured in RMB.

Appellation explanation

For ease of expression and reading, "Dongfang Electric Corporation" is called "Corporation" for short, and "Dongfang Electric Co., Ltd." is called "DEC", "Company" and "We", etc. for short. The subsidiaries mentioned in this report are explained as follows:

"DEC Machinery"	means	Dongfang Electric Machinery Co., Ltd.
"DEC Turbine"	means	Dongfang Turbine Co., Ltd.
"DEC Boiler"	means	Dongfang Boiler Co., Ltd.
"DEC Wind"	means	Dongfang Electric Wind Power Co., Ltd.
"DEC International"	means	DEC International Cooperation Co., Ltd.
"DEC Heavy Machinery"	means	Dongfang (Guangzhou) Heavy Machinery Co., Ltd.
"Dongfang Electric Autocontrol Engineering"	means	means DEC Heavy Machinery"Dongfang Electric Autocontrol Engineering Co., Ltd.
"Dongfang Academy"	means	DEC Academy of Science and Technology Co., Ltd.
"Dongfang Property"	means	Dongfang Electric (Sichuan) Supplies Co., Ltd.
"Dongfang Electric (Wuhan) Nuclear Equipment"	means	Dongfang Electric (Wuhan) Nuclear Equipment Co., Ltd.

In addition, the Stock Exchange of Hong Kong Limited is referred to as "HKEX", and the Shanghai Stock Exchange is referred to as "SSE".

Release cycle

This report is released annually. The last report was released in April 2024.

Basis of compilation

This report is compiled following Appendix Guideline on Environmental, Social and Governance Report of the Main Board Listing Rules published on the Listing Rules and Guidelines of the Stock Exchange of Hong Kong Limited (referred to as the "ESG Reporting Guide"), as well as the Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No.14-Sustainability Reporting(for Trial Implementation) (referred to as the "Guidelines for Sustainability Reporting") issued by SSE. It also references the Guidelines on Guidelines for Sustainable Development Reporting for Chinese Enterprises (CASS-ESG 6.0), the Global Reporting Initiative (GRI) Sustainability Reporting Standards (GRI Standards 2021), and the International Financial Reporting Sustainability Disclosure Standards S1 and S2 issued by the International Sustainability Standards Board (ISSB), among other guidelines and standards.

Reliability assurance

The Board of Directors and all the directors of DEC ensure no false record, misleading statement, or material omissions in this report, and they shall bear individual and joint liability for the truthfulness, accuracy, and completeness of its contents.

Report version

This report is released in an electronic form. When necessary, this report can be available and downloaded on the official website of DEC or the platform designated by the Shanghai Stock Exchange and Stock Exchange of Hong Kong.



Tel: 028-87583666



Fax: 028-87583551



Official website: <http://www.dec-ltd.cn/>

Report Acquisition

This report is available in three versions: Simplified Chinese, Traditional Chinese, and English. In case of any discrepancies, the Simplified Chinese version shall prevail.

ESG management

ESG philosophy

DEC always upholds the philosophy of "value co-creation for a shared prosperity" and adheres to the principle of "the coexistence of driven force and warmth, dreams and responsibilities". While fulfilling our trusted economic responsibilities and injecting robust momentum into economic revitalization, we remain deeply aware of our obligations as a central enterprise and a responsible corporate citizen. Our commitment includes compassionate social responsibility, sustainable environmental stewardship and giving back to the community.

ESG governance framework

In the process of ESG management and practice, DEC continuously explores the integration of ESG work into strategy, management, and operations and gradually identifies ESG planning management, institutional management, execution management, and external communication.

In 2024, in accordance with the Guiding Opinions on High-Standard Fulfillment of Social Responsibilities by Central Enterprises in the New Era issued by the State-owned Assets Supervision and Administration Commission (SASAC), the ESG Reporting Guide of HKEX, and the Guidelines for Sustainability Reporting of SSE, DEC formulated and released the Environmental, Social, and Governance (ESG) Management Regulations of Dongfang Electric Co., Ltd. (hereinafter referred to as the "ESG Management Regulations"). This established a comprehensive ESG governance framework under the leadership of the Board of Directors, guided by the Strategic Development Committee, coordinated by the designated management department, and implemented by relevant units in a collaborative manner.

Board of Directors: It is the highest leading decision-making body for ESG management work, Oversees and ensures the implementation of environmental, social, and governance-related matters, including the annual review of the company's ESG report and related initiatives.

Strategic Development Committee: Primarily responsible for researching and providing recommendations on ESG-related strategies and major issues, guiding the formulation of ESG strategies, and supervising ESG matters.

Office of the Board of Directors: Acts as the designated management department for ESG, responsible for coordinating and advancing the deployment of ESG initiatives and overseeing daily ESG management.

Functional Departments: Responsible for implementing the company's ESG strategies and objectives, managing ESG issues relevant to their respective business areas, organizing and executing ESG initiatives, and engaging in communication and collaboration with stakeholders.



Under the leadership of the Board of Directors, DEC continues to refine its ESG management system, standardize ESG information disclosure, publish annual ESG reports, enhance communication with stakeholders, and steadily improve its ESG management practices.

ESG communication

Information Disclosure

DEC systematically discloses its business information through the preparation and release of periodic reports, including quarterly reports, semi-annual reports, annual reports, and ESG reports. These reports facilitate communication and interaction with investors, helping to maintain robust investor relations. Additionally, the company regularly organizes media briefings and round tables, expanding channels for stakeholders to gain insights into its operations. Since 2017, DEC has released eight ESG reports to regularly disclose the Company's practical achievements in environment, society, and governance to the public.

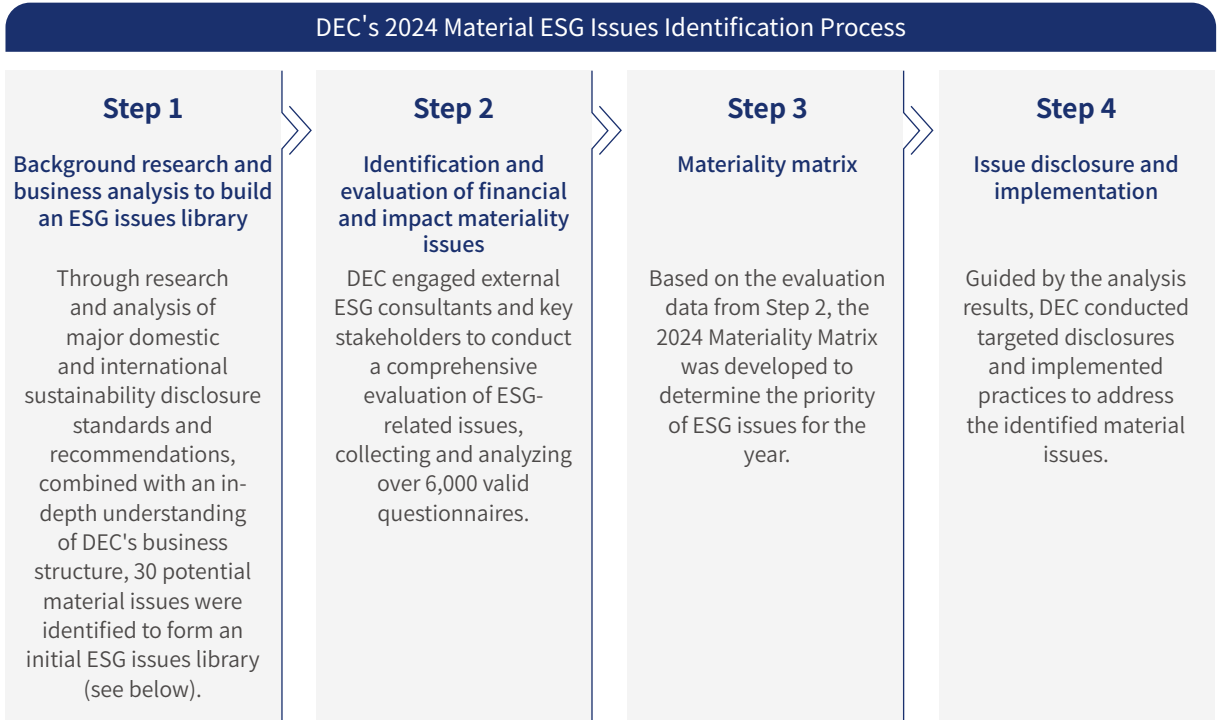
Stakeholder Engagement

DEC places great emphasis on the expectations of its stakeholders. The company continuously establishes and refines communication channels based on stakeholder needs, adopting an open and transparent approach to proactively understand and promptly address their concerns and expectations. DEC is committed to driving sustainable development in the economy, society, and the environment with stakeholders.

Stakeholders	Expectations of the Company	Respond by the Company
Government	· Observation of national laws and regulations	· Subject report
	· Provision of service for national macroeconomic regulation	· Achievement of production and operation plan
	· Value preservation and appreciation of state-owned assets	· Full-tax payment
Shareholder	· Improvement of shareholder returns	· Stable operation
	· Standardization of corporate governance	· Investor exchange conference
	· Prevention of operation risks	· Announcement
Employee	· Employee right protection	· Employee representative assembly
	· Employee career development	· Trade union activities at all levels
	· Diverse employee activities	· Disclosure of company affairs and collection of opinions
	· Employee safety and health	· Health management
Customer	· Provision of excellent products	· Customer relationship management
	· Provision of excellent services	· Customer discussions and visits
		· Customer satisfaction investigation
		· Response to customer complaints
Environment	· Protection of the ecological environment	· Promotion of green production
	· Response to climate change	· Practice green operation
Partnership	· Observation of business ethics	· Contract performance
	· Open and fair procurement	· Qualification investigation
	· Mutual benefit and win-win situation	· Disclosure of procurement information
	· Common development	· Negotiation and communication
Community	· Promotion of community development	· Participation in community activities
	· Support to social public welfare	· Development of public welfare practice
		· Creation of employee opportunities
		· Support to rural revitalization

Analysis of material ESG issues

To align with the requirements of the SSE and HKEX, DEC conducted a comprehensive assessment to identify material ESG issues.



Material issues library

Through consultations with external experts, internal departmental research, exchange guidelines, and DEC's ESG Management Regulations, 30 ESG issues closely related to the company's operations were identified.

No.	Topic	No.	Topic	No.	Topic
01	Response to climate change	11	Social contribution	21	Overseas operation
02	Waste gas emission	12	Innovation-driven development	22	International exchange
03	Wastewater discharge	13	Supply chain security	23	Industry development
04	Ecosystem and biodiversity protection	14	Equal treatment of small and medium-sized enterprises	24	ESG risk assessment and management
05	Environmental compliance management	15	Quality management	25	Communication with stakeholders
06	Energy utilization	16	Customer services	26	Anti-corruption
07	Water resource utilization	17	Data security	27	Anti-unfair competition
08	Recycling economy	18	Employee management	28	Board governance
09	Green production	19	Employee development	29	Compliance management
10	Rural revitalization	20	Occupational health and safety	30	Sustainable governance mechanisms

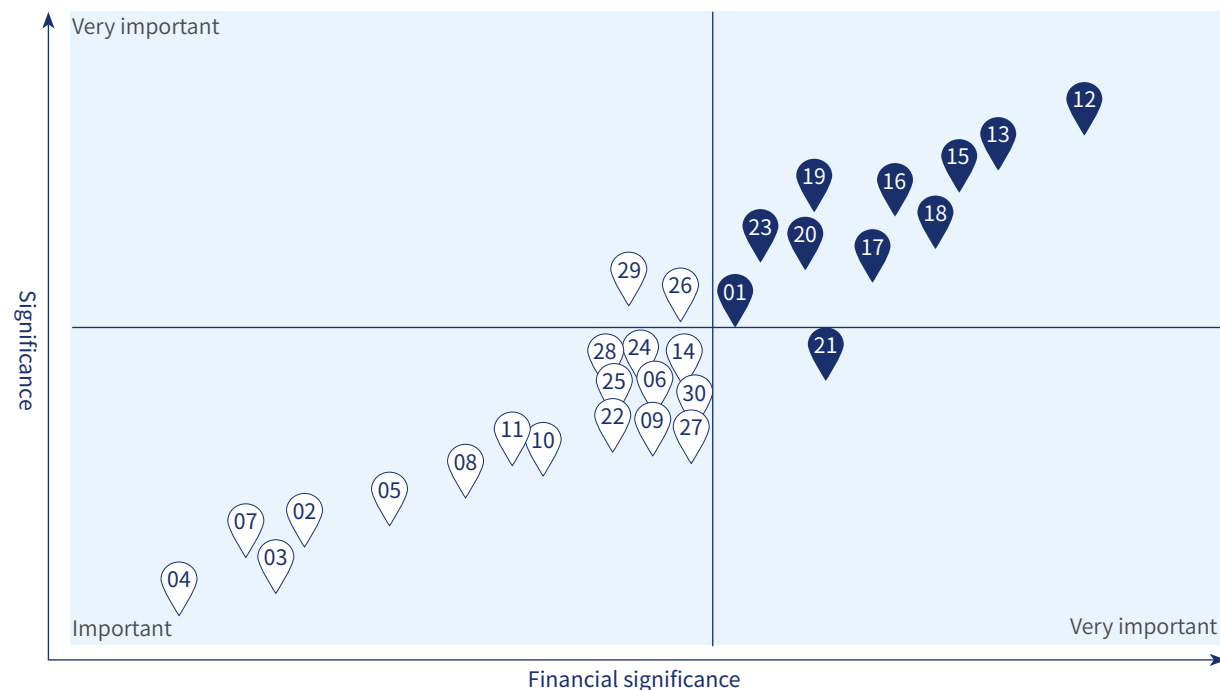
Material issues matrix

Using survey questionnaires and quantitative scoring by external ESG experts, the financial materiality of each issue was assessed. Issues with a financial materiality score above the threshold (3.5 out of 5) were identified based on the likelihood and magnitude of financial impacts. A total of 11 issues were classified as financially material. From these, 10 issues were further identified as having dual materiality, considering factors such as the possibility, scale, scope, irremediability of negative impacts, and likelihood of significant economic, social, and environmental consequences.

Financially Material Issues		Dual Materiality Issues
No.	Topic	Topic
01	Response to climate change	Response to climate change
12	Innovation-driven development	Innovation-driven growth
13	Supply chain security	Supply chain security
15	Quality management	Quality management
16	Customer services	Customer services
17	Data security	Data security
18	Employee management	Employee management
19	Employee development	Employee development
20	Occupational health and safety	Occupational health and safety
21	Overseas operation	-
23	Industry development	Industry development

DEC's dual materiality issues analysis matrix:

The lower right is for issues with financial materiality only; the upper right is for issues of dual importance.



1. Impact materiality refers to whether the company's performance on a given issue could have a significant actual or potential impact on the economy, society, or the environment. This is assessed based on factors such as the scale, scope, irremediability of impacts, and likelihood of occurrence.

2. Financial materiality refers to whether a given issue is expected to significantly affect the company's business model, operations, development strategy, financial condition, operating results, cash flow, financing methods, and costs in the short, medium, or long term. This is assessed based on the likelihood and magnitude of financial impacts.

ESG issue management

To further enhance the disclosure and implementation of ESG issues, the company has formalized the centralized management of various ESG topics within our "ESG Management Regulations". This initiative lays a governance foundation for improving both the disclosure and practical application levels of ESG issues.

Functional Departments	Centralized Management of Respective ESG Issues
Party Leadership Group Office/Board Office/Company Office	Rural revitalization, board governance, and stakeholder engagement
Human Resource Department	Employee relations and development
Corporate Culture Department	Social contributions
Strategic Investment Department	Response to climate change
Industrial Development Department	Customer service and industry development
Science and Technology Information Department	Innovation-driven growth and data security
Corporate Governance Department	Sustainable governance mechanisms
Economic Operation Department	Employee occupational health, product quality management, environmental protection, ecosystem and biodiversity conservation, as well as water and energy use
Supply Chain Management Department	Supply chain issues and circular economy initiatives
Finance Department	Equal treatment of SMEs
Legal Risk Control Department	ESG risk assessment and management, anti-unfair competition litigation and dispute resolution, compliance management
International Business Department	Overseas operations and international exchanges

Financially material ESG issues disclosure

During the analysis of issue importance, those with financial materiality are disclosed and implemented according to the requirements of the SSE and HKEX, following the "four elements" outlined in SSE's "Guidelines for Sustainability Reporting" Article 11.

The "four elements" related to financially material issues mentioned in this report will not be reiterated hereinafter.

Governance

Our governance structure and internal systems are designed to manage and oversee sustainability-related impacts, risks, and opportunities.

DEC bases its approach on laws and regulations such as the "Company Law", "Supervision and Administration Measures for State-owned Equity of Listed Companies", SSE's and HKEX's "Listed Company Governance Guidelines", and "Corporate Governance Code", integrating advanced management practices like Lean Management and ISO 9001 certification to establish a coherent and efficient departmental structure that supports the governance of significant issues. It is supported by a comprehensive set of internal policies to ensure the effective implementation of these initiatives.

No.	Topic	Responsible Department	Corresponding Policies and Descriptions
01	Response to climate change	Strategic Investment Department	"Energy Conservation and Environmental Protection Supervision and Management Regulations", "Carbon Emissions Management Regulations"
12	Innovation-driven development	Science and Technology Information Department	"Science and Technology Work Management Regulations", "Science and Technology Project Management Regulations", "Patent Management Regulations"
13	Supply chain security	Supply Chain Management Department	"Procurement Management Regulations"
15	Quality management	Economic Operation Department	"Quality Management Regulations"
16	Customer services	Industrial Development Department	"Customer Satisfaction Monitoring Procedures"
17	Data security	Science and Technology Information Department	"Network Work Management Regulations", "Network Security Management Regulations", "Information System Data Management Regulations"
18	Employee management	Human Resource Department	"Employee Leave Management Regulations", "Labor Contract Management Regulations", "Employee Compensation Management Regulations"
19	Employee development	Human Resource Department	Employee Training Management Regulations
20	Occupational health and safety	Economic Operation Department	Provisions on Safety Production Management
21	Overseas operation	International Business Department	"Guiding Opinions on Promoting High-quality Development of the Corporation's International Operations in the New Era"
23	Industry development	Industrial Development Department	"Strategic Cooperation Agreement Management Regulations"

Strategy

DEC has established a comprehensive "two-level, three-category" planning system and management mechanism, with the "DEC 14th Five-Year Plan Strategic Framework" at its core, which includes dedicated chapters addressing key corporate governance issues with specific provisions. In line with the new development phase, the company has defined its approach and key priorities across multiple dimensions: transforming development models, innovation-driven growth, deepening reforms, mergers and acquisitions, talent strategy, digital transformation, management enhancement, brand management, and law-based corporate governance.

The "DEC 14th Five-Year Plan Strategic Framework" covers the period from 2021 to 2025. Under the leadership of the Strategic Investment Department, respective functional departments are responsible for revising and updating relevant sections and chapters of the plan in accordance with evolving business development requirements.

Impact, risks, and opportunities

The company has established measures and processes to identify, assess, monitor, and manage sustainability-related impacts, risks, and opportunities.

Topic	Identification	Assessment	Monitoring	Management
01 Response to climate change	<ul style="list-style-type: none">- Identify GHG emission sources (Scope 1, 2, 3)- Assess climate-related physical and transition risks- Identify low-carbon transition opportunities	<ul style="list-style-type: none">- Calculate carbon footprint- Conduct scenario analysis (assess the financial impact of different climate scenarios)- Cost-benefit analysis of carbon reduction technologies	<ul style="list-style-type: none">- Regularly monitor GHG emission data- Track carbon reduction progress- Monitor climate policy changes	<ul style="list-style-type: none">- Implement green manufacturing- Promote the consumption of green electricity and green certificates- Implement carbon pricing- Develop low-carbon products/services

Topic	Identification	Assessment	Monitoring	Management
12 Innovation-driven growth	<ul style="list-style-type: none">- Identify industry trends and disruptive innovation opportunities- Assess R&D capabilities and innovation culture- Identify opportunities for collaborative innovation with external partners	<ul style="list-style-type: none">- Evaluate technical feasibility and commercial potential of innovative projects- Assess IP protection effectiveness	<ul style="list-style-type: none">- Track R&D investment and output (patents, new product sales)- Monitor competitor innovation- Assess employee innovation engagement	<ul style="list-style-type: none">- Establish innovation management system- Allocate special R&D funds- Incentivize employee innovation- Strengthen IP protection- Foster open innovation
13 Supply chain security	<ul style="list-style-type: none">- Map supply chain and identify critical suppliers/risk points- Assess risks of supply disruption for critical and long-term materials- Identify the potential impact of geopolitical risks and natural disasters on the supply chain	<ul style="list-style-type: none">- Evaluate potential impacts of supply chain disruptions- Assess supplier diversification	<ul style="list-style-type: none">- Track critical material supply- Monitor supply chain risk events	<ul style="list-style-type: none">- Develop supplier management guidelines- Establish supplier diversification strategy- Create supply chain disruption response plans
15 Quality management	<ul style="list-style-type: none">- Identify customer needs and expectations for products/services- Identify internal/external changes- Identify potential quality risks- Identify resource requirements	<ul style="list-style-type: none">- Evaluate quality management system effectiveness- Analyze the effectiveness of process quality control procedures and methods- Conduct cost-of-quality analysis- Assess customer satisfaction	<ul style="list-style-type: none">- Establish quality metrics- Conduct regular quality inspection, testing and analysis- Track customer complaints/feedback	<ul style="list-style-type: none">- Implement/improve quality management systems (e.g., ISO 9001)- Establish risk prevention mechanisms- Strengthen quality culture construction- Implement quality control- Establish product after-sales service system
16 Customer services	<ul style="list-style-type: none">- Identify customer expectations, needs, and pain points- Assess current service effectiveness- Identify potential service issues	<ul style="list-style-type: none">- Evaluate customer satisfaction (CSAT) and Net Promoter Score (NPS)- Evaluate customer service costs- Analyze customer feedback	<ul style="list-style-type: none">- Track customer service metrics (response time, resolution rate)- Monitor customer complaints/feedback- Conduct customer satisfaction surveys	<ul style="list-style-type: none">- Establish customer service standards/processes- Enhance customer service training for employees- Offer multi-channel customer support- Implement CRM system- Regularly evaluate customer feedback for continuous improvement
17 Data security	<ul style="list-style-type: none">- Identify sensitive data types (personal information, financial data, business secrets)- Assess data security threats (cyberattacks, data breaches, internal violations)- Identify applicable data security regulations (GDPR, CCPA)	<ul style="list-style-type: none">- Conduct data security risk assessments- Evaluate the effectiveness of existing security controls	<ul style="list-style-type: none">- Deploy security monitoring systems (intrusion detection, log analysis)- Conduct regular security vulnerability scans/penetration tests- Track data security incidents	<ul style="list-style-type: none">- Develop data security policies/procedures- Train employees on data security- Implement access controls/data encryption- Establish data breach response plans

Topic	Identification	Assessment	Monitoring	Management
18 Employee management	<ul style="list-style-type: none">- Identify potential labor dispute risks	<ul style="list-style-type: none">- Assess compensation competitiveness- Analyze turnover rates and recruitment costs	<ul style="list-style-type: none">- Track turnover rates- Monitor labor relations- Evaluate HR policy effectiveness	<ul style="list-style-type: none">- Implement fair, transparent HR policies- Offer competitive compensation- Establish employee communication/feedback mechanisms- Provide career development opportunities- Promote diversity and inclusion
19 Employee development	<ul style="list-style-type: none">- Assess employee skills/competencies- Plan career development paths- Analyze training needs	<ul style="list-style-type: none">- Evaluate training effectiveness (knowledge, skills, behavior)- Assess employee performance- Review career development plan execution	<ul style="list-style-type: none">- Monitor training participation- Track employee skill improvement- Monitor promotions/internal mobility	<ul style="list-style-type: none">- Develop employee development plans- Provide training and development opportunities (internal & external training, online learning)- Implement mentorship/coaching programs- Conduct performance management and feedback- Offer career counseling
20 Occupational health and safety	<ul style="list-style-type: none">- Identify workplace hazards (physical, chemical, biological, ergonomic)- Assess employee occupational health/safety risks- Identify applicable occupational health/safety regulations	<ul style="list-style-type: none">- Conduct occupational health/safety risk assessments- Evaluate the effectiveness of existing security controls- Assess potential impacts of work-related injuries/diseases	<ul style="list-style-type: none">- Establish occupational health/safety metrics- Conduct regular safety inspections/hazard investigations- Track work-related accidents and occupational diseases	<ul style="list-style-type: none">- Implement/improve OHS management systems- Provide employee safety training- Supply personal protective equipment- Enforce safety protocols- Develop emergency response plans- Address employee mental health
21 Overseas operation	<ul style="list-style-type: none">- Identify risks in the political, economic, social, cultural, environmental, and legal domains for overseas operating countries- Assess impacts of overseas operations on local communities/environments- Identify applicable international conventions/standards	<ul style="list-style-type: none">- Conduct country risk assessments- Evaluate compliance risks of overseas business- Assess potential returns/risks of overseas investments	<ul style="list-style-type: none">- Monitor political, economic, and social dynamics in overseas operating countries- Track compliance of overseas operations- Evaluate overseas business performance	<ul style="list-style-type: none">- Develop overseas business strategies/policies- Establish cross-cultural communication mechanism- Strengthen compliance management of overseas business- Formulate risk response plans for overseas operations
23 Industry development	<ul style="list-style-type: none">- Identify industry trends, policy changes, and technological disruptions- Assess the industry's competitive landscape- Identify potential industry disruptors	<ul style="list-style-type: none">- Analyze industry impacts on the company- Evaluate the company's competitive strengths/weaknesses- Assess the industry's future growth potential	<ul style="list-style-type: none">- Track industry news, policies, and technologies- Monitor competitor actions- Participate in industry events	<ul style="list-style-type: none">- Adjust company strategy based on industry trends- Collaborate with industry associations- Participate in industry standard-setting- Invest in future industry directions- Maintain flexibility/adaptability

Metrics and targets

In alignment with SSE's "Guidelines for Sustainability Reporting" and associated guidance documents, DEC actively addresses stakeholder concerns regarding our performance in environmental, social, and governance (ESG) areas. The relevant metrics and key performance indicators for the identified material issues will be detailed in subsequent sections of this report. Stakeholders can refer to the specified sections to review our progress on these crucial topics.

No.	Topic	Refer to Section	Page
01	Response to climate change	See "Response to climate change" section	P51
12	Innovation-driven development	See "Innovation-driven growth" section	P32
13	Supply chain security	See "Supplier management" section	P74
15	Quality management	See "Quality management" section	P93
16	Customer services	See "Commitment to customer satisfaction" section	P72
17	Data security	See "Intelligent manufacturing transformation" section	P38
18	Employee management	See "Employee rights protection" section	P60
19	Employee development	See "Employee development system" section	P62
20	Occupational health and safety	See "Occupational health and safety" section	P65
21	Overseas operation	See "Strengthening overseas responsibility" section	P85
23	Industry development	See "Promoting industry development" section	P77

Sustainable development goals serve as a critical compass guiding our long-term corporate strategy. DEC is committed to following SSE's "Guidelines for Sustainability Reporting" by continuously tracking and analyzing the metrics disclosed in subsequent sections of this report. This practice will lay a solid foundation for setting forward-looking and scientifically grounded sustainable development targets in the future. We pledge to disclose the establishment and progress of these targets timely to meet stakeholders' expectations regarding our sustainability performance.








ESG performance









DEC attaches great importance to the deep integration of ESG philosophy and business development, continuously promotes the practical application of ESG, actively participates in research on ESG-related theory, and timely responds to topics such as "ESG Blue Book for Listed Central Enterprises (2024)" released by State-owned Assets Supervision and Administration Commission of the State Council (SASAC). In 2024, DEC was included in the "ESG Blue Book for Listed Central Enterprises (2024)" and ranked 33th in the "Central Enterprise ESG·Pioneer 100 Index".

Due to its excellent ESG performance, DEC was listed in "Pioneer 100 Chinese ESG Listed Companies" (ranking 34th) and "Pioneer 30 Chinese ESG Listed Companies in Technology Innovation" (ranking 10th) in China Environmental, Social and Governance (ESG) Release and Celebration Event held by China Media Group with SASAC, All-China Federation of Industry and Commerce, Institute of Economics of Chinese Academy of Social Sciences, China Enterprise Reform and Development Society, etc.

Honor of responsibility

In 2024, some of the social honors received by the company, its affiliated enterprises, and employees are as follows:

<div>  </div> <div> <div>Name of honor:</div> <div>First Prize for National Science and Technology Progress Award (2023)</div> </div> <div> <div>Issued by:</div> <div>State Council</div> </div> <div> <div>Award winner:</div> <div>DEC Wind</div> </div>	<div>  </div> <div> <div>Name of honor:</div> <div>Second Prize for Sichuan Provincial Science and Technology Progress Award</div> </div> <div> <div>Issued by:</div> <div>Sichuan Provincial People's Government</div> </div> <div> <div>Award winner:</div> <div>DEC Machinery</div> </div>
<div>  </div> <div> <div>Name of honor:</div> <div>First Prize for National Defense Science and Technology Progress Award</div> </div> <div> <div>Issued by:</div> <div>Ministry of Industry and Information Technology</div> </div> <div> <div>Award winner:</div> <div>DEC</div> </div>	<div>  </div> <div> <div>Name of honor:</div> <div>Second Prize for Hubei Provincial Science and Technology Progress Award (2 items)</div> </div> <div> <div>Issued by:</div> <div>Hubei Provincial People's Government</div> </div> <div> <div>Award winner:</div> <div>DEC Machinery</div> </div>
<div>  </div> <div> <div>Name of honor:</div> <div>First Prize for National Defense Technology Invention Award</div> </div> <div> <div>Issued by:</div> <div>Ministry of Industry and Information Technology</div> </div> <div> <div>Award winner:</div> <div>DEC Turbine</div> </div>	<div>  </div> <div> <div>Name of honor:</div> <div>Second Prize for Zhejiang Provincial Science and Technology Progress Award</div> </div> <div> <div>Issued by:</div> <div>Zhejiang Provincial People's Government</div> </div> <div> <div>Award winner:</div> <div>DEC Wind, DEC Yangtze River Delta (Hangzhou) Innovation Research Institute</div> </div>
<div>  </div> <div> <div>Name of honor:</div> <div>First Prize for Sichuan Provincial Science and Technology Progress Award (2 times)</div> </div> <div> <div>Issued by:</div> <div>Sichuan Provincial People's Government</div> </div> <div> <div>Award winner:</div> <div>DEC Turbine</div> </div>	<div>  </div> <div> <div>Name of honor:</div> <div>Third Prize for Sichuan Provincial Science and Technology Progress Award</div> </div> <div> <div>Issued by:</div> <div>Sichuan Provincial People's Government</div> </div> <div> <div>Award winner:</div> <div>DEC Turbine</div> </div>
<div>  </div> <div> <div>Name of honor:</div> <div>First Prize for Shanghai Municipal Science and Technology Progress Award</div> </div> <div> <div>Issued by:</div> <div>Shanghai Municipal People's Government</div> </div> <div> <div>Award winner:</div> <div>DEC Turbine</div> </div>	<div>  </div> <div> <div>Name of honor:</div> <div>National Outstanding Engineer</div> </div> <div> <div>Issued by:</div> <div>CPC Central Committee, State Council</div> </div> <div> <div>Award winner:</div> <div>He Jianhua (DEC Wind)</div> </div>

<div>  </div> <div> <div>Name of honor:</div> <div>2023 "Great Country Craftsman of the Year"</div> </div> <div> <div>Issued by:</div> <div>All-China Federation of Trade Unions, China Media Group</div> </div> <div> <div>Award winner:</div> <div>Cui Xingguo (DEC Machinery)</div> </div>	<div>  </div> <div> <div>Name of honor:</div> <div>Inclusion in National "Green Factory" List</div> </div> <div> <div>Issued by:</div> <div>Ministry of Industry and Information Technology</div> </div> <div> <div>Award winner:</div> <div>DEC Machinery, DEC Heavy Machinery, Dongfang Electric (Wuhan) Nuclear Equipment, Dongfang Hitachi</div> </div>
<div>  </div> <div> <div>Name of honor:</div> <div>National March 8th Red-Banner Holder</div> </div> <div> <div>Issued by:</div> <div>All-China Women's Federation</div> </div> <div> <div>Award winner:</div> <div>Feng Zhenzhen (DEC Turbine)</div> </div>	<div>  </div> <div> <div>Name of honor:</div> <div>"ESG Pioneer 100 Index for Listed Central Enterprises (2024)"</div> </div> <div> <div>Issued by:</div> <div>China Enterprise Forum</div> </div> <div> <div>Award winner:</div> <div>DEC</div> </div>
<div>  </div> <div> <div>Name of honor:</div> <div>National May 1st Labor Medal</div> </div> <div> <div>Issued by:</div> <div>All-China Federation of Trade Unions</div> </div> <div> <div>Award winner:</div> <div>Liu Chuang (DEC Machinery)</div> </div>	<div>  </div> <div> <div>Name of honor:</div> <div>"Pioneer 100 Chinese ESG Listed Companies (2024)"</div> </div> <div> <div>Issued by:</div> <div>China Media Group</div> </div> <div> <div>Award winner:</div> <div>DEC</div> </div>
<div>  </div> <div> <div>Name of honor:</div> <div>National Worker Pioneer</div> </div> <div> <div>Issued by:</div> <div>All-China Federation of Trade Unions</div> </div> <div> <div>Award winner:</div> <div>Machining Comprehensive Team, Diaphragm Factory, DEC Turbine</div> </div>	<div>  </div> <div> <div>Name of honor:</div> <div>"Pioneer 30 Chinese ESG Listed Companies in Technology Innovation (2024)"</div> </div> <div> <div>Issued by:</div> <div>China Media Group</div> </div> <div> <div>Award winner:</div> <div>DEC</div> </div>

Two Decades of Collaborative Progress in Zhaojue County — DEC Embarks on a New Journey

Since 2004, DEC, driven by a profound sense of national responsibility, has actively responded to the call of the CPC Central Committee and the State Council to support paired assistance in Zhaojue County, Sichuan Province. With unwavering commitment and substantial investment, the company has leveraged its strengths to promote the development of local industries, enhance energy infrastructure, improve education quality, build digital villages, and facilitate local consumption support. These initiatives have not only facilitated Zhaojue County's achievement of high-quality poverty alleviation but also ensured a seamless transition from poverty eradication to rural revitalization. DEC has exemplified the responsibility and commitment of a central enterprise in fostering local economic growth and advancing rural development.

By 2024, DEC has invested nearly RMB 160 million in Zhaojue County, Liangshan Prefecture, implementing over 100 assistance projects and contributing more than RMB 160 million through consumption-based support initiatives.

Promoting Industries for Prosperity

Utilizing its resources, information, and technology advantages, DEC has explored effective pathways to support the sustainable development of paired counties. By aligning its expertise in energy equipment with local resource endowments, DEC has fostered the growth of specialty industries, addressing challenges such as the sale of local agricultural products and employment opportunities for farmers.

To advance industrial development, DEC has innovatively established a tripartite collaboration mechanism involving the group headquarters, responsible enterprises, and local governments. Additionally, a four-tier supervision system has been implemented, incorporating oversight from the discipline inspection and supervision team, audit and supervision department, local discipline inspection committees, and on-site supervision by assistance personnel. This ensures the successful execution of all assistance projects.

Multiple industries advancing together to boost farmers' income



In 2024, DEC supported the blueberry industry project in Huopu Village, Zhaojue County, by introducing leading enterprises to create a "smart+" agricultural assistance model. This initiative generates an annual income of approximately RMB 100,000 for the village collective.

DEC Supports the Development of the Radish Industry in Huopu Village, Zhaojue County



DEC assisted Zhaojue County in constructing a silage processing plant, addressing gaps in livestock development and increasing collective income through a "fixed + profit-sharing" model.

DEC donates to build two industrial parks, boosting development in Tebulo Township

In 2019, DEC provided funding to establish the Preferential Agricultural Cooperative, involving 11 villages in Tebulo Township. The company co-invested with leading enterprises to create the Dongfang Preferential Tartary Buckwheat Industrial Park and the Dongfang Preferential Wujin Pig Industrial Park. These parks adopt an agricultural industrialization model that integrates township governance, cooperatives, leading enterprises, and farmers. By leveraging the professional management and established sales channels of leading companies, the parks ensure sustainable operations, stable income for farmers, and local employment opportunities.

The Dongfang Preferential Tartary Buckwheat Industrial Park has established production lines for tartary buckwheat tea and liquor, processing over 30 tons of raw materials annually, thereby resolving sales challenges and providing stable employment for local villagers.



Dongfang Preferential Tartary Buckwheat Industrial Park

The Dongfang Preferential Wujin Pig Industrial Park organizes farmers to scientifically raise wujin pigs, with unified purchasing, processing, and sales. This approach enhances the added value of wujin pig products and expands sales channels.



Dongfang Preferential Wujin Pig Industrial Park Cured Products Production Workshop

Advancing Energy to Strengthen Development Foundations

Aligning with local needs and leveraging its capabilities, DEC has utilized its strengths as a leading energy equipment manufacturer to develop and promote distributed photovoltaic and wind power projects in paired assistance areas. These efforts continue to expand new models of clean energy-driven rural revitalization.

In 2024, DEC initiated the construction of the Zhaojue County Potato Seed Industry Agri-PV Complementary Project in Zhuhe Town, Zhaojue County. By installing rooftop PV systems on warehouse and workshop buildings, the project will meet part of the industrial park's electricity demand, reduce operational costs, and contribute over RMB 200,000 annually to the collective economy of Zhuhe Town.

DEC assists Huopu Village in building a PV power station, illuminating the path to rural revitalization

In response to the national rural revitalization strategy, DEC launched the Integrated Energy Demonstration Village Project in Huopu Village, Zhaojue County, Sichuan Province, in 2022. Leveraging its expertise in energy equipment manufacturing and the region's abundant wind and solar resources, the company established an integrated wind-solar-storage clean energy supply system. The project successfully constructed a 1 MW distributed PV power station on over 10 acres of wasteland, with an annual power generation of approximately 1.3 million kWh. The electricity is integrated into the local grid, generating over RMB 300,000 annually for the village collective. In 2023, the project began supplying energy to fire lookout towers, heating systems, lighting, security systems, and smart charging stations, significantly improving the living and working conditions of the villagers.

The PV power station in Huopu Village not only delivers economic benefits but also provides a replicable model for energy development in remote areas. By achieving energy self-sufficiency, the project has injected new vitality into rural revitalization, showcasing DEC's proactive efforts in promoting green development and fulfilling social responsibilities.



PV Power Station in Huopu Village

Responsibility Performance

During the poverty alleviation period, DEC invested a total of RMB **15** million to construct **20** village-level PV power stations. These stations generate annual revenues of RMB **4–5** million, benefiting **3,951** households across **53** administrative villages.

The company has committed over RMB **2** billion in commercial investments to build a waste-to-energy plant, a **48.5** MW distributed wind farm, and a **264** MW centralized wind farm. These projects are expected to generate annual output value and tax revenues exceeding RMB **200** million and RMB **30** million, respectively, while creating over **100** high-quality jobs upon completion.

DEC's 264 MW Wind Farm Project Continues to Advance Green Development in Zhaojue County

DEC is advancing its green energy initiatives in Zhaojue County, Sichuan Province, with the launch of a 264 MW wind farm project. As the largest wind power project in Zhaojue County, it is expected to achieve full-capacity grid connection by the end of 2025. The project will generate 520 million kWh of clean electricity annually, equivalent to saving over 150,000 tons of standard coal and reducing carbon dioxide emissions by more than 550,000 tons, making a significant contribution to local energy conservation and environmental protection.

DEC Wind has previously supplied 149 MW of wind turbines for wind farm projects in Zhaojue County, with an average availability rate exceeding 99.25%, ensuring a stable supply of green energy. This project highlights DEC's leading expertise and reliability in wind power technology, laying a solid foundation for the region's energy transition.



Wind Farm Project in Zhaojue County

Supporting Education to Empower Talent Development

Over the past 20 years of paired assistance in Zhaojue County, DEC has consistently prioritized education and talent development, continuously enhancing the effectiveness of its educational support initiatives in the region.

Improving Educational Infrastructure

DEC has implemented comprehensive educational support programs spanning preschool, compulsory, and high school education, addressing the specific needs of Zhaojue County. By the end of 2024, the company had donated funds to build 10 preschool centers and 2 standardized kindergartens. Additionally, it has upgraded teaching and boarding facilities in primary and secondary schools, significantly improving the learning and living conditions for students in the assisted areas.



Luoqiebo Kindergarten



Niubo Kindergarten



In 2004, DEC invested in the construction of Zhaojue County's First Hope Primary School. Over the years, the company has continued to donate funds to improve and update the school's facilities, ensuring that its teaching conditions remain among the best in rural Zhaojue.



In 2022, DEC invested over RMB 4 million to build a kindergarten in Niubo Village, Chengbei Township, Zhaojue County. This kindergarten primarily serves 318 relocated households from 11 townships, providing a spacious, bright, clean, and comfortable learning environment for local Yi ethnic preschool children. Designed in accordance with the latest national kindergarten construction standards, the facility officially opened on March 23, 2023.



On December 7, 2023, DEC completed the construction of the Luoqiebo Kindergarten in Sikai Town, Zhaojue County. Covering approximately 800 square meters with three classrooms, the facility includes comprehensive activity rooms, a morning health check reception area, a health observation room, a kitchen, and an outdoor play area, all designed to cater to the educational needs of over 100 local children.

Introducing High-Quality Educational Resources

To address the shortage of qualified preschool teachers and uneven teaching standards in Zhaojue County, DEC has actively introduced high-quality educational resources. The company facilitated a tripartite agreement between Beijing Normal University, the Zhaojue County People's Government, and DEC, leveraging the expertise of China's top teacher-training institution to elevate local education standards.

In collaboration with local education authorities, DEC organized specialized training programs for preschool teachers. These programs included inviting outstanding bilingual (Yi and Mandarin) teachers to conduct mentorship sessions, helping local educators master bilingual teaching methods and improve their Mandarin proficiency. Additionally, preschool teachers were invited to participate in on-site training at DEC's affiliated Deyang Dongdian Foreign Language Kindergarten, a provincial model kindergarten, combining theoretical instruction with hands-on classroom experience to enhance their teaching skills.

Enhancing the Impact of Educational Support

Since 2014, DEC has established scholarships, grants, and teaching awards in Zhaojue County to reward outstanding students, support financially disadvantaged students, and encourage local teachers to improve their teaching quality. By the end of 2024, the company had distributed a total of RMB 9 million, benefiting over 10,000 students and teachers.



Empowering Digital Transformation to Create a New Model

Over the years, DEC has actively supported Zhaojue County in enhancing its digital management capabilities and developing exemplary digital projects. In 2023, building on the Huopu Village Integrated Energy Demonstration Project, the company launched the Huopu Village Digital Management Demonstration Project. Leveraging its expertise in digital transformation, DEC successfully developed the "Smart Digital Management Integrated Application Platform". This platform utilizes advanced technologies such as eagle-eye surveillance and digital geological disaster prevention systems to enable remote monitoring of flood control, special populations, livestock, and geological disaster points. It integrates functions such as smart energy supply, industrial promotion, party building promotion, village affairs management, fire prevention, and poverty alleviation monitoring, significantly improving the quality and efficiency of rural economic and social development.

Additionally, DEC equipped three preschool centers in Huopu Village with online teaching systems. By leveraging information and intelligent technologies, these systems provide access to high-quality digital educational resources, bridging the urban-rural education gap and supporting the construction of a beautiful, digitally empowered countryside.

In 2023, DEC invested RMB 1 million to co-establish the Rural Revitalization Digital Empowerment Center in Nanping Community, Zhaojue County. This center features an integrated e-commerce sales platform combining a metaverse live-streaming room, training classrooms, product exhibition areas, and a points-based supermarket. The project has created local employment opportunities for college graduates and residents in Nanping Community, contributing approximately RMB 70,000 annually to the collective economy.



DEC Assists Huopu Village in Building the "Smart Digital Management Integrated Application Platform"

Boosting Consumption to Bridge Production and Sales

Since initiating paired assistance in Zhaojue County, Sichuan Province, in 2004, DEC has consistently focused on consumption-based support, serving as a bridge between Zhaojue County's specialty products and broader markets. Through innovative approaches and multi-pronged strategies, the company has injected sustained momentum into the local economy and farmers' income growth.

DEC has actively participated in initiatives such as the "Central Enterprises Consumption Assistance Action", leveraging its platform and influence to mobilize affiliated enterprises to purchase products from paired assistance areas. The company encourages employees to "buy to donate", sourcing local specialties such as tartary buckwheat, wujin pigs, and highland livestock from nearby donation-supported workshops, effectively addressing the sales challenges of local agricultural products.

In April 2024, DEC hosted the "Yi Heart, Joint Efforts, Empowering Revitalization" shopping festival under the Central Enterprises Consumption Assistance Action. During the event, agricultural products worth over RMB 80 million were promoted, injecting new vitality into the rural revitalization of paired assistance areas.

DEC collaborates with multiple central enterprises to host the "Yi Heart, Joint Efforts, Empowering Revitalization" Shopping Festival

On April 19, 2024, guided by the State-owned Assets Supervision and Administration Commission of the State Council (SASAC), DEC, in collaboration with China Energy Group and China Telecom, officially launched the "Yi Heart, Joint Efforts, Empowering Revitalization" shopping festival in Liangshan Yi Autonomous Prefecture, Sichuan Province.

The event combined online and offline activities, inviting over 20 ministries and central government units, including the General Office of the CPC Central Committee, the Working Committee of Central and State Organs, and China Media Group, to participate. More than 100 suppliers showcased over 80 types of agricultural products and handicrafts, including grains, oils, and local specialties. During the event, DEC, through its labor union, employee canteens, supply chain partners, and employees, purchased nearly RMB 20 million worth of local agricultural products both online and offline.



"Yi Heart, Joint Efforts, Empowering Revitalization" Shopping Festival

Two Decades of Dedication, Two Decades of Progress. Looking ahead, DEC will continue to consolidate and expand its achievements in poverty alleviation, effectively aligning with the rural revitalization strategy. The company will intensify its support for Zhaojue County, increase industrial investments, strengthen talent development, and invigorate rural vitality. By collaborating with various assistance forces, the company will further demonstrate the responsibility and commitment of a central enterprise, contributing to the comprehensive construction of a modern socialist country and the realization of the Chinese Dream of national rejuvenation.

Environment

Protecting the Ecosystem and Building a Green Future Together

DEC adheres to the concept of sustainable development, actively fulfills the goal of carbon peaking and carbon neutrality and always takes green development as the drive to boost the achievement of its high-quality and sustainable development goal.

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Response to Climate Change	51

UN's Sustainable Development Goals (SDGs)



Innovation-Driven Growth

At DEC, we harness the power of scientific and technological innovation to push boundaries in key technologies. Our innovation platforms help us pool resources and fast-track results from lab to market. With cutting-edge digital capabilities, we've transformed our production and management processes, setting new industry standards and driving progress toward the "Dual Carbon" goals.



Technological innovation honors obtained by DEC in 2024 (partial)

- | | |
|--|---|
| 1 First Prize for National Science and Technology Progress Award | 1 Second Prize for Sichuan Provincial Science and Technology Progress Award |
| 1 First Prize for National Defense Technology Invention Award | 2 Second Prizes for Hubei Provincial Science and Technology Progress Award |
| 1 First Prize for National Defense Science and Technology Progress Award | 1 Second Prize for Zhejiang Provincial Science and Technology Progress Award |
| 2 First Prizes for Sichuan Provincial Science and Technology Progress Award | 1 Third Prize for Sichuan Provincial Science and Technology Progress Award |
| 1 First Prize for Shanghai Municipal Science and Technology Progress Award | |

Strengthening Technological Capabilities

DEC has established a robust scientific research system, concentrating on breakthroughs in key technologies and pooling superior resources to achieve advancements in core technologies. The company has also enhanced its research capabilities across the board, from talent cultivation and recruitment to facility upgrades, providing a solid foundation for innovation and driving the industry to new heights.

Building a robust research system

DEC continues to strengthen its technological innovation system, improving institutional mechanisms, advancing system reforms, and fostering open innovation collaborations to solidify its research foundation and ensure sustained progress in scientific endeavors.

Improve institutional mechanisms

- Established an integrated Science and Technology Innovation Leadership Group
- Completed the mid-term revision of the "14th Five-Year Plan" for technological innovation and released technical roadmaps for product development and strategic emerging industries
- Developed technology development guidelines for key areas such as nuclear energy, centered around the "six standards"

Promote R&D system reforms

- Founded DEC Chengdu Academy, clarifying the functional positioning and management structure of the "headquarters + regional academies + joint innovation institutes"
- Fujian Innovation Research Institute was listed among the first batch of pioneering enterprises, and Chengdu Research Institute was newly established
- The Tsinghua University Joint Innovation Institute, co-established with Datang Innovation, officially commenced operations

Foster innovation and collaboration

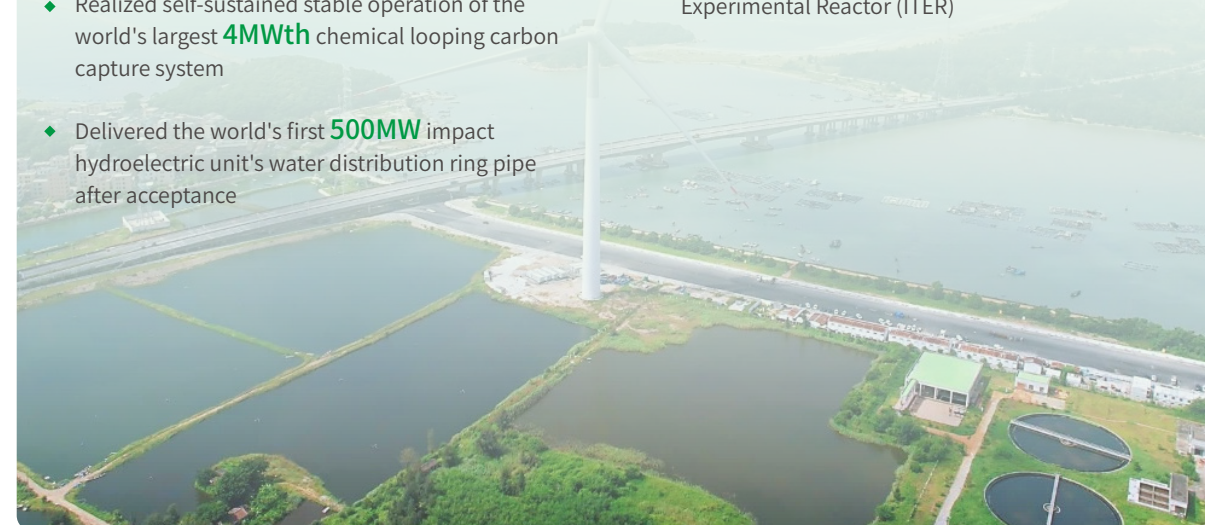
- Signed strategic agreements with Huairou National Laboratory and implemented two research projects
- Established the Japan Energy Research Institute
- Signed a memorandum of cooperation with the Fraunhofer Institute for Wind Energy Systems in Germany
- Advanced collaboration with the German Aerospace Center on cutting-edge coal power technologies

Advancing key technologies

In 2024, DEC accelerated the implementation of its innovation-driven development strategy, investing RMB 3.816 billion in R&D, with an intensity exceeding 5%. By the end of December 2024, the company had added 507 valid patents, bringing its total valid patents to 4,053, including 1,777 valid invention patents (over 43% of the total), with 41 overseas patents. The company has participated in the release of 6 international standards, led 17 national standards, and contributed to 233 national standards.

Key technological achievements in 2024 (partial)

- Successfully conducted the first ignition of China's first **15MW** heavy-duty gas turbine
- Achieved full-power grid connection for the **18MW** offshore wind turbine
- Launched the world's largest **26MW** offshore wind turbine
- Realized self-sustained stable operation of the world's largest **4MWth** chemical looping carbon capture system
- Delivered the world's first **500MW** impact hydroelectric unit's water distribution ring pipe after acceptance
- Developed China's first intermediate heat exchanger for the **CFR600** demonstration fast reactor
- Achieved full-load operation of a **100Nm³/h** (standard cubic meters) in-situ seawater hydrogen production system without desalination
- Developed the first batch of blanket shielding modules for the International Thermonuclear Experimental Reactor (ITER)



国内首台自主研制 15MW重型燃气轮机



The G15 unit, with a capacity of 16.5 MW and a thermal efficiency exceeding 35%, generates over 22,000 kWh of electricity per hour in combined cycle mode, meeting the daily electricity needs of 2,500 households. Compared to coal-fired power plants of the same capacity, it reduces carbon emissions by more than 150,000 tons annually.

DEC's independently developed 18 MW semi-direct drive offshore wind turbine is the largest operational offshore wind turbine in the world. With an estimated annual power generation of 72 million kWh, it meets the annual electricity demand of approximately 36,000 households, effectively reducing carbon dioxide emissions by 72,000 tons.



DEC achieved a world-first by successfully testing the largest chemical looping carbon capture system. This technology can directly capture carbon dioxide with a concentration of over 90% at the combustion source, reducing costs by two-thirds compared to traditional carbon capture methods.



DEC successfully launched the world's largest 26 MW offshore wind turbine with fully independent intellectual property rights at the offshore wind power industrial park in Fuqing, Fujian Province.



DEC completed and delivered the water distribution ring pipe for the world's first 500 MW impact hydroelectric unit, marking another milestone in the development of high-head, large-capacity hydroelectric units in China.



DEC has fully mastered the intellectual property and achievements related to the International Thermonuclear Experimental Reactor (ITER) project. By cultivating and retaining a high-level talent pool and establishing a high-end nuclear equipment supply chain, the company has made significant contributions to advancing nuclear fusion research in China.

Enhancing research capabilities

DEC is committed to advancing technological innovation, emphasizing talent cultivation, and enhancing evaluation and incentive mechanisms to unleash the full potential of corporate innovation.

Cultivate technological talents

- ◆ Continued implementation of the technological innovation talent cultivation program
- ◆ One individual selected as a "National Outstanding Engineer" and another included in the SASAC's "Hundred-Thousand-Million" talent development initiative
- ◆ Issued guidelines for empowering leading talents with greater financial and team-building autonomy

Strengthen technological innovation assessment

- ◆ Focused on differentiated evaluations for key areas, major projects, and product technologies, optimizing an evaluation system comprising over 20 indicators across two categories and four dimensions

Optimize incentives for technological innovation

- ◆ Awarded 57 prizes for annual scientific and technological achievements and progress
- ◆ Implemented a reward system for technology transfer, allocating over RMB 5 million in incentives

Creating innovation platforms

DEC has strengthened the construction of high-level innovation platforms and created high-quality R&D platforms, providing robust support for key technology breakthroughs. In 2024, the company added two provincial-level platforms in hydrogen energy and high-efficiency cutting and intelligent manufacturing.

bringing the total to
4 national-level

15
provincial-level R&D
platforms

Strengthened
the national key
laboratory for
clean and efficient
turbine power
equipment

The National Energy
Small and Medium Gas
Turbine Industry Chain
Key Technology and
Equipment R&D Center
entered standardized
operations

DEC Boiler and DEC
Machinery's provincial
key laboratories and
engineering research
centers consistently
received excellent
evaluations

Driving technological renewal

DEC actively engages in the formulation of industry standards and research projects, contributing to technological innovation and breakthroughs in the sector.



DEC has participated in the revision of the Design Code for Large and Medium-Sized Thermal Power Plants (GB 50660-2011), driving technological advancements in the coal power industry.

Participate in the development and research of high-end energy equipment, promoting industry technology iteration and upgrading

The company has contributed to the Chinese Academy of Engineering's research project, Current Status, Major Goals, and Key Directions for the Development of High-End Equipment – Energy Equipment. This initiative comprehensively reviews the progress and achievements in strategic areas of energy equipment, including major scientific projects and key core technology breakthroughs. It also analyzes strengths, weaknesses, and areas for improvement, particularly in achieving self-reliance and addressing technological gaps. The findings provide valuable insights and references for the future development of China's high-end energy equipment industry.

Discussion Session on Research Projects

Transformation of Scientific and Technological Achievements

DEC adheres to laws and regulations such as the Patent Law, Copyright Law, and Anti-Unfair Competition Law, continuously improving intellectual property (IP) protection. Several of its subsidiaries have been recognized as "National Intellectual Property Demonstration Enterprises". The company also advances provincial-level IP initiatives and high-value patent cultivation, while strengthening IP training for R&D personnel. These efforts not only protect the company's legal rights but also prevent infringement of others' intellectual property.

In 2024, the company's core patent, A Tail Flue Arrangement Structure for a Double Reheat Boiler (ZL201810370448.0), won the Excellence Award of the 25th China Patent Award.

Important Invention Information Table		
Invention Name	Patent No.	Positive Impact
A Boiler Heating Steam Reheating System	ZL201910857039.8	This patent significantly enhances the adaptability of boiler steam supply, providing users with efficient and flexible heating solutions.
A Preparation Method for Fuel Cell Membrane Electrode Slurry	ZL202111506554.5	This invention greatly improves the dispersion efficiency of the slurry, enhancing the technical and cost competitiveness of membrane electrodes.
An Automatic Anti-Vortex Excitation Method, System, and Storage Medium for Wind Turbines	ZL202410987258.9	By automatically selecting blades, it ensures vortex-induced vibration protection during turbine shutdown, effectively safeguarding the safety of long, flexible blade units.
A Charging Circuit and Control Method for Wind Turbine Pitch System Backup Power	ZL202110672942.4	This significantly improves the charging efficiency and reliability of the backup power system for wind turbine pitch systems, maintaining the company's technological leadership in electric dual-drive pitch systems.
Optimization Method, Quantitative Evaluation Method, and Bidirectional Feedback Method for S-Curve Characteristics	ZL202410608351.4	Establishes a set of quantitative parameters for large-opening S-curve characteristics to guide optimization. This method better informs the hydraulic development and optimization of pump-turbines, ensuring safe and stable power plant operation.
Insulation State Evaluation Method for Large Generators Based on Genetic Algorithm and Radial Basis Function Neural Network	ZL202010922999.0	Provides a method for accurately evaluating the insulation state of large generators using genetic algorithms and radial basis function neural networks, offering scientific and reliable technical support and evaluation standards for lifecycle insulation management.
A Hydrogen Combustion Engine Supplementary Combustion Compressed Air Energy Storage System and Method	ZL202411154273.1	Suitable for hydrogen-coupled compressed air energy storage systems in new energy bases, enabling local hydrogen utilization and meeting the demand for zero-carbon energy storage in new power systems, expanding the company's independent gas turbine and energy storage industry.
A Compressed Carbon Dioxide Energy Storage System Coupled with Thermal Power Plants	ZL202420247373.8	This system offers high energy storage efficiency and strong peak-shaving capabilities, with broad market prospects. It promotes the company's independently developed carbon dioxide host equipment and system solutions.

Intelligent Manufacturing Transformation

Planning and standard leadership

DEC formulated the Action Plan for Advancing Digital Transformation (2022-2025) and issued the 2024 Intelligent Manufacturing Promotion Work Plan, outlining annual goals and key tasks. These include improving the operational efficiency and quality of digital workshops, enhancing intelligent manufacturing maturity, building smart factories, and establishing digital leadership enterprises. The company also released the Digital Factory Evaluation Standards (Trial) to guide comprehensive performance improvements and the Industrial Internet Base Platform Construction Plan to unify technical roadmaps. Additionally, DEC contributed to the Digital Transformation Implementation Plan for the Power Equipment Manufacturing Industry under the Ministry of Industry and Information Technology (MIIT), sharing its expertise to drive industry-wide digital transformation.

Measures

Technology upgrades and equipment updates

Introduced advanced automated production equipment, industrial robots, and intelligent inspection instruments. For example, high-precision CNC machining centers were acquired to improve the machining accuracy of gas turbine discs, and an automated diaphragm production line was independently developed to enhance production efficiency. Digitally upgraded outdated equipment by installing sensors and controllers, enabling data collection and remote monitoring.

Industrial software application and system integration

Fully implemented industrial software such as ERP, MES, PLM, and APS to digitize enterprise management, production process control, and product development. Eliminated information silos by enabling real-time data sharing and collaboration across systems.

Industry-academia-research collaboration

Established long-term partnerships with renowned universities and research institutions to jointly develop and innovate key intelligent manufacturing technologies, accelerating the transformation of scientific achievements. Promoted the deep integration of digital technologies and industries by founding Dongfang Digital Technology.

Achievements

- ◆ Newly constructed 8 digital workshops, achieving the target of 25 digital workshops one year ahead of schedule.
- ◆ DEC Machinery and DEC Turbine became the first enterprises in the industry to achieve Level 4 intelligent manufacturing capability maturity.
- ◆ DEC Machinery and DEC Turbin both companies were selected as "Exemplary Smart Factories" in MIIT's 2024 list, with DEC Turbine's Flexible Collaborative Leadership Practice in High-End Equipment Discrete Manufacturing recognized as a "Digital Leadership" enterprise case (large enterprises).
- ◆ DEC Boiler built the first digital workshop for water-cooled walls in the boiler industry, achieving intelligent control across the entire production process.
- ◆ DEC Heavy Machinery independently developed the industry's first large-saddle welding robot, increasing manual welding efficiency by over 5 times. The manufacturing execution system (MES) enabled direct use of welding parameters for final documentation, earning second prize in the Lean Improvement Competition for its paperless operations.

Case studies

DEC Turbine implemented customized solutions to achieve multi-link collaboration in planning, welding, machining, assembly, and logistics, with over 93% of key processes digitized. The deployment of APS, MES, and SCADA systems established the industry's first unmanned blade machining workshop, increasing per capita efficiency by 650% and equipment utilization to over 80%. The company also built the first green and efficient welding digital workshop, achieving a 100% pass rate for high-temperature component welds through the integration of robotic welding and machine vision monitoring technologies.



Diaphragm Logistics System



Atmospheric Plasma Spraying Equipment

Expanding Green Industries

DEC resolutely implements the strategic decisions of the CPC Central Committee and the State Council regarding carbon peaking and carbon neutrality. The company has further optimized its industrial structure and layout, significantly improving energy resource utilization efficiency and achieving the "Double Trillion" milestone, laying a solid foundation for the successful conclusion of the 14th Five-Year Plan.



DEC has significantly invested in strategic emerging industries, with such investments accounting for **60%** of its total investment in 2024, representing a year-on-year increase of **33.12%**. This substantial commitment lays a solid foundation for the company's future sustained growth in the clean energy sector.

Wind power

DEC has adopted a strategy of "keeping pace on land, leading at sea, and expanding overseas", driving the development of clean energy in multiple regions, optimizing energy structures, and contributing to global green energy transformation.

The launch of world's largest 26 MW offshore wind turbine, setting new benchmarks in wind power technology

On October 12, 2024, DEC successfully launched the world's largest 26 MW offshore wind turbine with fully independent intellectual property rights at the offshore wind power industrial park in Fuqing, Fujian Province. This turbine, featuring the largest single-unit capacity and the longest rotor diameter globally, represents the latest achievement in the rapid advancement of China's wind power equipment industry. It serves as a testament to the progress of China's wind power supply chain and provides robust technical support for building a new power system and achieving the "Dual Carbon" goals.



Launch Ceremony of the 26 MW Offshore Wind Turbine

Hydropower

DEC continues to enhance the reliability and advanced nature of hydropower technologies, rivaling international leaders in hydropower equipment. The company focuses on delivering high-quality large hydropower and pumped storage projects, ensuring its leading position domestically and advanced standing globally. By the end of 2024, the company had supplied over 170 tubular turbine generator units to more than 40 power stations worldwide, contributing Chinese expertise and strength to regional economic and social development.



On July 1, 2024, Unit 5 of the Don Sahong Hydropower Station Expansion Project, developed and supplied by DDEC, was successfully put into operation.

The acceptance and delivery of world's first 500 MW impact hydroelectric unit's water distribution ring pipe

On October 21, 2024, DEC independently developed and delivered the world's first water distribution ring pipe for a 500 MW impact hydroelectric unit, marking another milestone in China's development of high-head, large-capacity impact hydroelectric units. This achievement will be applied to the Datang Zala Hydropower Station, the only domestic hydropower project capable of developing and demonstrating 500 MW high-head, large-capacity impact units. As the world's most challenging impact hydropower project under construction, it features high head, large capacity, and high altitude, filling the technological gap in China's giant impact units and overcoming critical "bottleneck" challenges, advancing the progress of hydropower equipment manufacturing.



Completion and Delivery Ceremony of the Water Distribution Ring Pipe

Gas power

DEC has independently developed China's first fully domestically designed F-class 50 MW heavy-duty gas turbine, codenamed "G50". With features such as full autonomy, cost-effectiveness, rapid maintenance response, and strong upgradability, the G50 fills the gap in China's independent gas turbine applications, providing a fully localized "Chinese solution" for the clean energy sector.

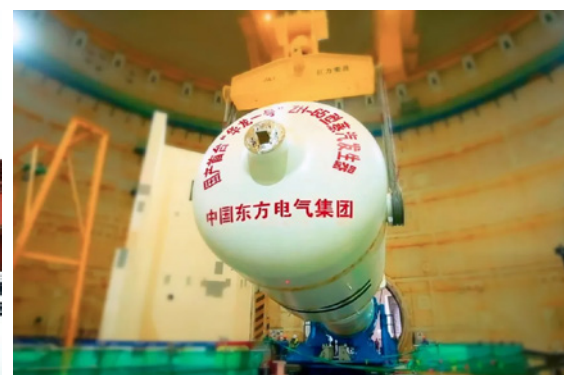


On March 16, 2024, the G50 gas turbine successfully passed the "72+24" hour operational assessment at the distributed energy station in Deyang Economic Development Zone, Sichuan Province, officially entering commercial operation.

Nuclear energy

DEC has seized opportunities in the nuclear power revival and the development of original technologies, driving the integration of the nuclear energy industry and accelerating the construction of independent design capabilities. The company continues to advance the localization and engineering application of key nuclear equipment components, ensuring the autonomy and controllability of the industrial chain and supply chain.

"Imprints of the Republic" Artifact



"Hualong No.1" ZH-65 Steam Generator

The company's "Hualong No.1" ZH-65 steam generator has been selected as an "Imprint of the Republic" artifact.

Solar power

DEC actively integrates into the PV industry, expanding its international market presence and advanced production capacity to promote PV industry development and optimize energy structures.



The Samarkand photovoltaic project in Uzbekistan, which is under the general contracting of DEC, is a large-scale new energy project in Uzbekistan. Upon its completion, this project will significantly alleviate the local electricity shortage and have a positive impact on the adjustment of Uzbekistan's energy structure as well as the transformation and upgrading of its economy.



The Ubon Ratchathani floating photovoltaic integrated smart energy project in Thailand is the first overseas multi-energy complementary integrated energy project under the general contracting of DEC. It integrates floating photovoltaic power generation, clean hydropower, high-efficiency energy storage, and a smart energy management system. After the project is put into operation, it is of great significance for improving the current situation of local electricity shortage and helping Thailand achieve its zero-carbon target.

Hydrogen energy

DEC has strengthened industry benchmarking and implemented a technology leadership project focused on efficient hydrogen production and utilization. The company is committed to building a comprehensive industrial chain encompassing green hydrogen production, in-situ seawater hydrogen production, safe hydrogen storage, and the mass application of hydrogen-powered heavy trucks.



New energy storage

DEC is focused on cultivating its core advantages in the electrochemical energy storage industry and expanding its thermal storage business. The company is concentrating on energy storage solutions for large-scale wind and solar bases, coal power flexibility upgrades, and clean heating in industrial parks, driving the transition to a green and low-carbon energy structure.

On September 1, 2024, DEC, as the EPC contractor, held the groundbreaking ceremony for the China Huadian Mulei 1,000 MW Carbon Dioxide Compressed Air Energy Storage Integrated Energy Demonstration Project in Mulei Kazakh Autonomous County, Xinjiang. The project includes 600 MW of wind power, 400 MW of photovoltaic power, and 1,000 MWh of energy storage, making it the world's largest carbon dioxide energy storage power station.



The world's first 300 MW compressed air energy storage turbine generator successfully connected to the grid

On April 9, the world's first 300 MW compressed air energy storage power station—the Hubei Yingcheng 300 MW Compressed Air Energy Storage Demonstration Project—achieved successful grid connection on its first attempt. The project set three world records for single-unit power, energy storage capacity, and conversion efficiency, along with six industry benchmarks and dozens of international breakthroughs. It was included in the Third Batch of Major Technical Equipment (Projects) in the Energy Sector released by the National Energy Administration. DEC supplied the air turbine generator and ancillary equipment, as well as the core equipment for compressed air energy storage—the world's first and largest 300 MW non-supplementary combustion compressed air expansion turbine with optimal performance.



Successful First Grid Connection of the Hubei Yingcheng 300 MW Compressed Air Energy Storage Demonstration Project

Advancing Green Operations

On the path to sustainable development, DEC is fully committed to advancing green operations. The company has improved environmental management, implemented energy conservation and carbon reduction initiatives, built green factories, supported circular economy, and strengthened environmental education. By integrating green principles into every aspect of its operations, DEC drives high-quality green development through diverse measures.



Environment compliance management

Guided by the principles of sustainable development, DEC actively responds to the national carbon peaking and carbon neutrality strategy. The company has formulated the 14th Five-Year Plan for Ecological Environmental Protection and the Carbon Peaking Action Plan, systematically advancing key tasks and taking on the corporate responsibility for energy conservation and carbon reduction. With unwavering determination, DEC is accelerating its green and low-carbon transformation. Additionally, the company promotes a lifestyle of simplicity, moderation, green and low-carbon practices, and civilized health, contributing to the construction of a green home.

Environmental Management

Environmental Management System

- The company strictly adheres to the GB/T24001-2016/ISO14001:2015 Environmental Management System standards and has established a robust environmental management system. Its effective operation is ensured through the Environmental and Occupational Health and Safety Management System Manual and related policies.
- To achieve continuous improvement and optimization of the environmental management system, the company conducts regular management reviews to comprehensively assess the system's performance.

Environmental Risk Early Warning Mechanism

- The company integrates sudden environmental incidents into its Comprehensive Plan for Production Safety Accidents, initiating corporate-level emergency preparedness and response plans based on incident severity.
- In compliance with environmental protection laws, regulations, and environmental management system requirements, the company dynamically identifies significant environmental factors, maintains a list of key pollution sources, and continuously enhances risk control measures. Supervision and inspection has been adopted to ensure the effective implementation of these measures.

Promotion of Green Office Practices

- The company has implemented a smart energy demonstration project integrating PV, energy storage, and hydrogen technologies at its headquarters campus. This project contributes over 1.6 million kWh of electricity annually, with energy storage systems enabling the transfer of 1 million kWh of off-peak electricity to peak usage periods.
- These initiatives send a positive message to employees, the industry, and society, emphasizing the company's commitment to environmental protection, low-carbon practices, and green sustainable development.

During the reporting period, the company experienced no significant environmental incidents.

Publicity and education of environmental protection

DEC leverages key events such as National Ecology Day and World Environment Day to develop specialized activity plans and conduct extensive green and low-carbon education campaigns. Using internal networks, WeChat, video platforms, and other media, the company organizes online and offline promotional activities tailored to its corporate identity. These initiatives widely disseminate green development concepts and energy-saving knowledge, enhancing employees' awareness of resource conservation and environmental protection. The goal is to foster a production and lifestyle characterized by simplicity, moderation, green and low-carbon practices, and civilized health.

In 2024
DEC invested RMB

58.55

million yuan in
environmental
protection funds.

For example, DEC Machinery focused on the theme "Green Transformation, Energy Conservation", showcasing its achievements in green and low-carbon transformation and carbon peaking during the 14th Five-Year Plan period. DEC Boiler and Dongfang Property distributed energy-saving posters and stickers, organized employees to sign energy-saving and carbon reduction pledges, and screened promotional videos for National Energy Conservation Week and National Low-Carbon Day, creating a strong atmosphere for energy conservation and low-carbon practices.

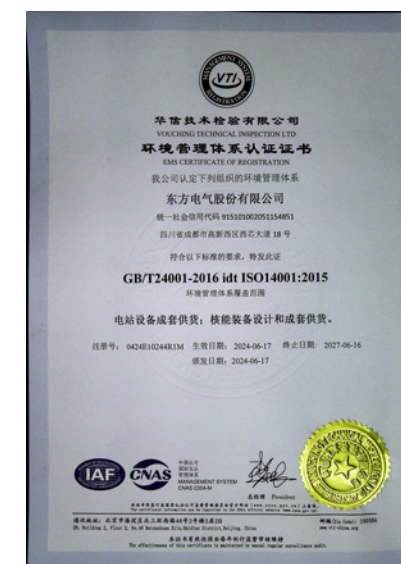
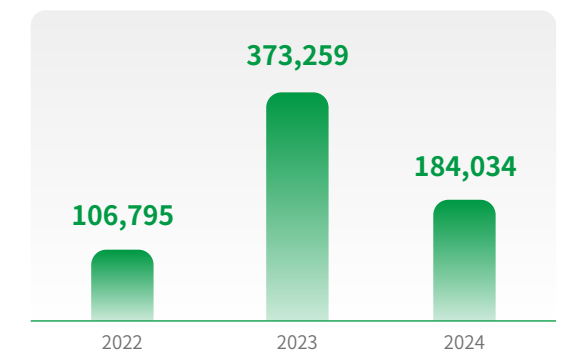
Environmental protection training coverage

Unit: %



Environmental protection training participants

Unit: Number



DEC Environmental Management System Certification



DEC Boiler Environmental Management System Certification



DEC Turbine Environmental Management System Certification

DEC regularly monitors environmental impact factors at its operational sites. In 2024, the company commissioned third-party testing for wastewater, exhaust gases, noise, and other environmental factors, with all results meeting compliance standards.



DEC regularly organizes and conducts reviews of the quality, environmental, and occupational health and safety management systems. After the review in 2024, it was determined that the company's quality, environmental, and occupational health and safety policies are appropriate; the quality, environmental, and occupational health and safety objectives are controllable; the management system documents comply with the standard requirements, and responsibilities and authorities have been reasonably allocated and effectively communicated; the requirements of customers and relevant parties have been basically identified and met; the risks and opportunities brought about by internal and external environmental factors have been basically identified and effectively addressed; the operation of the system has been effectively supervised through system audits and management reviews, which has promoted the continuous improvement of the system; and the company has the ability to stably provide products that meet the requirements of customers and applicable laws and regulations.



Environmental performance improvement

DEC follows the Technical Guidelines for Formulating Emergency Emission Reduction Measures for Key Polluting Industries during Heavy Pollution Weather (2020 Edition) and relevant enterprise environmental performance classification regulations. The Company has established and implemented comprehensive management systems to ensure compliance in hazardous material procurement, storage, usage, transportation, and waste disposal while promoting environmental performance enhancement initiatives across its subsidiaries.

In 2024, two additional enterprises were recognized to reach the Level B environmental protection performance, bringing the total number of Level B enterprises to five.

bringing the total number of Level B enterprises to

5

Waste gas emission

Indicator	Unit	2022	2023	2024
SO ₂ emission	Tons	164.5	159.4	160.8
SO ₂ emission density	Ton/ RMB 10,000	0.00003	0.000026	0.000023
NO _x emission	Tons	252.4	276.3	265.2
NO _x emission density	Ton/ RMB 10,000	0.00005	0.000046	0.000038

Wastewater discharge

Indicator	Unit	2022	2023	2024
Total wastewater discharge	10,000 tons	125.2	134.6	127.5
Ammonia nitrogen emission	Tons	67.5	66.9	65.8
Ammonia nitrogen emission density	Ton/ RMB 10,000	0.00001	0.00001	0.000009
COD emission	Tons	288.5	274.7	270.6
COD emission density	Ton/ RMB 10,000	0.00005	0.000045	0.000039

Waste discharge

Indicator	Unit	2022	2023	2024
Non-hazardous waste discharge	Tons	22,168	28,066.5	32,008.8
Non-hazardous waste discharge density	Ton/ RMB 10,000	0.004	0.0046	0.00459
Hazardous waste discharge	Tons	1,699	2,496.6	7,163.5
Hazardous waste discharge density	Ton/ RMB 10,000	0.0003	0.0004	0.001

Energy Conservation and Environmental Protection

DEC has released comprehensive policies focused on energy conservation, ecological environmental protection, and carbon emission management. The company has newly established the "Implementation Measures for Safety and Environmental Protection Awards", reinforcing process supervision and accountability to ensure effectiveness. DEC is progressively shifting its focus from dual-control of energy consumption to dual-control of carbon emissions, thereby solidifying the company's primary responsibility for energy-saving and carbon reduction.

Strengthening energy consumption management

DEC strictly adheres to laws and regulations such as the Energy Conservation Law, Measures for the Management of Energy Conservation in Key Energy-Consuming Units, and Groundwater Management Regulations. The company enhances dynamic identification and control measures for energy use, intensifying energy consumption management for key units. During the reporting period, the company's overall energy consumption and energy intensity remained under control.

Indicator	Unit	2022	2023	2024
Comprehensive energy consumption	Ton of standard coal	95,834	93,013	99,094
Comprehensive energy consumption corresponding to RMB 10,000 output value	Ton of standard coal/ RMB 10,000	0.017	0.015	0.0142
Electricity	10,000 KWH	32,350	33,115.4	36,423.3
Natural gas	10,000 m ³	3,805	3,654.3	3,812.4
Gasoline	Ton	592.7	575.4	553.2
Diesel oil	Ton	590.5	486.8	455.2
Consumption of new energy, renewable energy, or clean energy	Tons	12,058	16,446	21,993
Repeated water consumption		2,396,000	10,131,000	12,076,706

Green factory construction

DEC has incorporated the construction of green factories into the company's carbon peak action plan, and coordinated the promotion of green and digital transformation. It actively carries out intelligent transformation and digital upgrading, process improvement, and the promotion of energy-saving products. In combination with the construction of a smart energy management system, it continuously promotes the improvement of energy utilization efficiency. It comprehensively promotes the consumption of green electricity and green certificates, and makes use of the resources of the enterprise factory areas to create multiple integrated smart energy scenarios of photovoltaic and energy storage. As a result, the proportion of renewable energy electricity consumption in the entire group has reached 40%. The secondary enterprises engaged in production and manufacturing have basically established provincial-level green factories, and four enterprises have been rated as national-level green factories.



DEC Turbine has built China's first green and efficient welding digital workshop, achieving 80% savings in welding material usage.

Recycling economy

In 2023, the Company formulated and issued the Administrative Rules for Disposal of Idle and Waste & Old Materials (Trial), carried out assessment disposal and recycling utilization in strict accordance with the principles of "coordinated management and efficiency first; classified disposal and best use; openness, transparency, legality and compliance" to further promote the service of declaration for idle and waste materials disposal requirement and improve the disposal efficiency.

In 2024, the company launched the "Dongfang e-Auction" platform to provide public bidding services for idle and waste materials, maximizing their value. Through this platform, equipment worth RMB 6.23 million was disposed of, further promoting environmental protection and sustainable development.

Response to Climate Change

As a leading energy equipment manufacturer in China, DEC leverages its advantages in clean energy equipment manufacturing to actively address climate change. Through technological innovation and industrial upgrading, the company promotes the development of low-carbon energy sources such as wind, hydro, and nuclear power, contributing to the achievement of national "Dual Carbon" goals.

Organizational Structure

Carbon Peak and Carbon Neutrality Leadership Group

Responsible for formulating the Carbon Peak Action Plan, defining the "timeline" and "roadmap" for energy conservation and carbon reduction initiatives.

Energy Conservation and Ecological Environment Protection Committee

Tasked with issuing regulations on energy conservation, ecological environmental protection, and carbon emissions management, ensuring the transition from dual control of energy consumption to dual control of carbon emissions is effectively implemented.

Carbon Peak and Carbon Neutrality Research Center

Dedicated to conducting cutting-edge research, actively participating in the development of "Dual Carbon" standards, and providing technical support for green and low-carbon development.

Strategy and decision-making

DEC actively practices green development principles, integrating sustainable development into its corporate strategy. Leveraging its strengths in energy equipment manufacturing, the company is committed to high-quality development and driving the green and low-carbon transformation of the energy sector.

In accordance with regulatory requirements, DEC has developed stringent and business-as-usual scenarios, selecting scenario models and parameters published by the Intergovernmental Panel on Climate Change (IPCC) for analysis (For a detailed explanation of the "climate scenario model", please refer to the official website of IPCC, ipcc.ch.). This approach helps the company better understand the potential impacts of climate risks and opportunities on its strategy, business model, financial planning, and resilience.

Climate scenario models

Scenario	IPCC Scenario Model	Application
Low Emission Scenario	Representative Concentration Pathway (RCP 2.6) Shared Socioeconomic Pathway (SSP 1)	This scenario assumes the strictest policy regulations, maximizing the impact of transition risks. Therefore, it is used for transition risk analysis.
High Emission Scenario	Representative Concentration Pathway (RCP 8.5) Shared Socioeconomic Pathway (SSP 5)	This scenario assumes the most lenient policy regulations, maximizing physical risks. Therefore, it is used for physical risk analysis.

Timeframe definition

Dimension	Definition
Timeframe	Short-term: 1-3 years
	Medium-term: 3-5 years
	Long-term: Over 5 years

Climate-related risk analysis

DEC has selected the "High Emission Scenario" (see above) to analyze climate-related physical risks. In this scenario, policy regulations are the most lenient, exposing the company to the highest level of physical risks.

Climate Physical Risks					
Risk	Category	Impact Period	Impact Value Chain	Impact Analysis	Mitigation Measures
Flooding	Acute risk	Short-term	Production	DEC's production bases and R&D centers may suffer direct damage from flooding, incurring high repair and reconstruction costs. Flooding can also disrupt production, delay order deliveries, and lead to penalties, affecting revenue. Additionally, supply chains may be disrupted, resulting in hindered raw material supply, halted production, and increased production costs.	Develop detailed flood prevention plans for facilities in high-risk areas, including the construction of flood control infrastructure such as dams and drainage systems.
		Medium-term	Supply chain		Strengthen collaboration with insurers, purchase property and business interruption insurance, and reduce financial losses caused by floods.
		Long-term			Establish emergency response mechanisms to adjust production plans and prioritize critical orders during floods, thereby reducing default risk.
Typhoons	Acute risk	Short-term	Production	Typhoons can damage production facilities and disrupt supply chains, leading to delayed equipment deliveries and increased maintenance costs. For example, manufacturing bases in coastal areas may face factory shutdowns and logistics paralysis due to super typhoons.	Establish a climate disaster early warning system and optimize supply chain geographic distribution (e.g., setting up backup factories inland).
		Medium-term	Supply chain		Invest in infrastructure upgrades for disaster resilience.
Extreme heat	Acute risk	Short-term	Production	Extreme heat reduces outdoor work efficiency, increases health risks such as heatstroke, and raises additional medical and subsidy costs. For temperature-sensitive production processes and equipment, high temperatures may also affect product quality and equipment performance, increasing defect rates and maintenance costs.	Provide heatstroke prevention equipment and adjust work schedules to avoid peak heat hours.
		Medium-term	R&D		Upgrade workshops and equipment with cooling systems such as air conditioning and ventilation.
		Long-term			Strengthen equipment maintenance and inspections to address heat-related issues.
Rising temperatures and drought	Chronic risk	Medium-term	Production	Long-term temperature increases reduce equipment cooling efficiency (e.g., gas turbine performance decline) or threaten coastal facilities due to rising sea levels. Hydropower equipment in drought-prone areas may face reduced capacity due to water shortages.	Develop cooling technologies for high-temperature environments and upgrade products for higher energy efficiency.
		Long-term	Supply chain		Gradually relocate production capacity from high-risk areas to lower-risk regions.

In contrast, the company has chosen the "Low Emission Scenario" to analyze climate transition risks. Policy regulations are the strictest in this scenario, maximizing the impact of transition risks on the company.

Climate Transition Risks					
Risk	Category	Impact Period	Impact Value Chain	Impact Analysis	Mitigation Measures
Carbon tax policies	Policy and regulatory risk	Long-term	Market	Carbon tax policies and mandatory emission reduction targets may limit sales of traditional energy equipment. For example, the EU Carbon Border Adjustment Mechanism (CBAM) could increase export costs.	Accelerate the development of clean energy equipment business. Participate in green electricity and certificate trading.
Low-carbon technology R&D	Technological innovation risk	Medium-term	R&D	Developing and applying low-carbon technologies requires significant funding and time, potentially increasing costs and reducing short-term profits. Failed R&D or unsuccessful transitions may lead to technological obsolescence and loss of market share.	Develop a long-term low-carbon technology R&D strategy; allocate R&D funds and resources effectively. Collaborate with universities and research institutions, jointly carry out low-carbon technology research and development, and reduce R&D risks. Gradually implement pilot projects before scaling up in the process of technological transformation, Acquire key technology patents through mergers or strategic partnerships.
		Long-term			
Changing customer preferences	Market change risk	Short-term	Market	Shifting customer preferences toward low-carbon products may reduce orders for thermal power equipment while increasing demand for clean energy solutions.	Introduce modular and intelligent clean energy solutions (e.g., integrated wind-solar-storage systems). Accelerate the development of clean energy equipment business. Participate in green electricity and certificate trading.
		Medium-term			
		Long-term			

Risk management

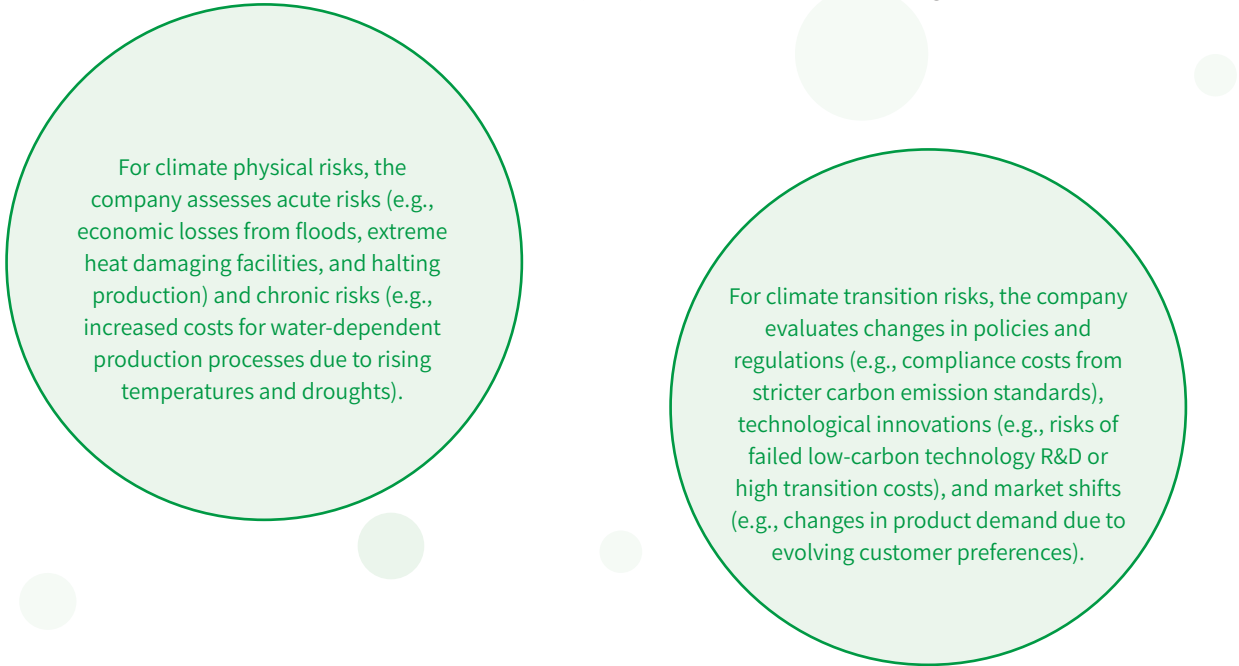
In the global context of addressing climate change, DEC places high importance on managing climate-related risks and opportunities. Through a scientific and systematic process, the company focuses on precise efforts in identification, assessment, and monitoring to comprehensively control the impact of climate factors on its energy equipment manufacturing business. DEC actively promotes sustainable development, striving to seize opportunities and advance steadily in the wave of low-carbon transformation.

Identification of climate-related risks and opportunities

DEC conducts cross-departmental collaboration meetings to analyze the business models and value creation pathways of its energy equipment manufacturing operations. This process fosters consensus on the impact of climate change on various sectors, including hydropower, wind power, and nuclear power. By extensively researching domestic and international climate change trends and industry developments, and combining these insights with its business characteristics, the company explores climate risks and opportunities. Key external factors include the impact of extreme weather events on production facilities and supply chains, as well as changes in market demand driven by low-carbon transition policies. Internally, the focus is on whether technological R&D capabilities and production operations can adapt to climate-related changes. Ultimately, the company identifies climate-related risks and opportunities, such as production disruptions due to extreme weather, raw material supply interruptions, growing market demand for clean energy, and low-carbon technology innovation, forming a comprehensive climate risk inventory.

Assessment of climate-related risks and opportunities

DEC employs a combination of quantitative and qualitative methods to comprehensively analyze the impact of climate change on its business operations.



Monitoring of climate-related risks and opportunities

The Strategic Development Committee, based on major climate risks and opportunities confirmed by the Board of Directors, formulates targeted response measures to integrate climate risk management into regular operations. The committee regularly tracks the progress of climate risk management and includes a dedicated climate-related chapter in the company's ESG report for public disclosure, addressing the concerns and expectations of stakeholders. Additionally, the company continuously monitors changes in domestic and international climate policies, industry technology trends, and internal adjustments in production operations and R&D. It updates the climate risk inventory and response strategies as needed to ensure effective management of evolving climate-related risks and opportunities.

Financial impact

Current Financial Impact of Climate Risks and Opportunities	
Risk/Opportunity	Impact and Description
Extreme weather events	During the reporting period, no direct economic losses (e.g., equipment repair costs, production halt losses) or indirect economic losses (e.g., order delay penalties) occurred due to production facility damage, shutdowns, or supply chain disruptions.
Policy and regulatory changes	The company closely follows carbon emission policies set by the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) and other relevant authorities. No additional costs incurred, such as those related to carbon emission allowance purchases during the reporting period.
Market demand shifts	Against the backdrop of the dual carbon control system and carbon tariffs, the management of carbon footprints for energy equipment products has become increasingly stringent, with downstream customers showing growing demand for low-carbon products.
Technological innovation	In recent years, DEC has consistently achieved breakthroughs in clean energy and low-carbon technologies. Over the past three years, the company has maintained an annual R&D investment intensity of over 5%, which has not imposed a financial burden on its innovation efforts.
Climate-related opportunities	For detailed quantitative data, please refer to the "Revenue and Cost Analysis" section and related content in the company's 2024 annual report.

DEC fully recognizes the profound impact of climate change on the global economy and corporate operations and considers it an important factor in the Company's strategic development. The Company actively responds to China's "dual carbon" goals, seizing opportunities presented by the national energy transition strategy, adjusting its industrial structure, and proactively investing in strategic emerging industries such as integrated wind, solar, hydrogen, and energy storage solutions, driving revenue structure transformation toward high-value-added sectors. We believe that these initiatives will positively impact the Company's future financial performance:

Revenue structure transformation

The Company will vigorously develop strategic emerging industries such as integrated wind, solar, hydrogen, and energy storage solutions, and the proportion of revenue from these industries is expected to continue increasing.

Improved profitability

As large-scale projects are implemented, economies of scale take effect, and cost optimization is driven by technological innovation, the Company's overall profitability is expected to improve.

Enhanced cash flow

The successive commissioning and operation of clean energy projects will provide a stable cash flow, improving the Company's overall financial position.

As the Company's ESG management system continues to develop and improve, we will enhance the quality and depth of climate-related disclosures and progressively establish a more comprehensive climate-related financial impact assessment model and data collection system, providing stakeholders with more transparent and comprehensive climate-related information.

To address the financial impact of climate change on the Company, DEC plans to support its climate transition initiatives through self-financing, bank loans, bond issuance, and equity financing.

Metrics and targets

As a key player in the energy equipment manufacturing industry, DEC actively embraces its responsibility for green development. By defining clear climate metrics, setting ambitious climate targets, and continuously advancing related initiatives, the company demonstrates its commitment to leading the industry's green transformation and contributing to sustainable development in the energy sector.

Greenhouse gas emission

To achieve comprehensive control over greenhouse gas (GHG) emissions, DEC continuously monitors its annual GHG emissions and drives decarbonization efforts across its production operations and supply chain. The company strives to become a leader in green transformation within the energy equipment manufacturing sector.

Greenhouse Gas Emissions from Own Production and Operations

Indicator	Unit	2022	2023	2024
Direct greenhouse gas emissions (scope 1)	Tons of CO ₂ e	8.5	8.1	8.5
Direct greenhouse gas emissions density (scope 1)	Tons of CO ₂ e/RMB 10,000	0.015	0.0133	0.0122
Indirect greenhouse gas emissions (scope 2)	ons of CO ₂ e	18.9	19.4	21
Indirect greenhouse gas emissions density (scope 2)	Tons of CO ₂ e/RMB 10,000	0.031	0.032	0.03
Carbon Emission intensity	Tons of CO ₂ e/RMB 10,000	0.05	0.045	0.042



[Note] Scope 3 greenhouse gas emissions primarily encompass indirect emissions occurring both upstream and downstream in a company's value chain, categorized into 15 distinct classifications as per the "Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard". Given the extensive and multifaceted nature of our company's value chain, coupled with significant challenges in baseline data collection and accounting, our current Scope 3 greenhouse gas accounting is pragmatically focused on the following categories: (Category 1) centrally procured raw materials and goods; (Category 3) fuel and energy-related activities not included in Scope 1 or Scope 2 emissions; and (Category 6) business travel by employees.

Over the past three years, the company's greenhouse gas emissions have primarily resulted from the use of electricity, natural gas, gasoline, and diesel.

Gas Name	Chemical Formula	Primary Sources (Industrial Examples)	GWP (CO ₂ = 1)
Carbon Dioxide	CO ₂	Fossil fuel combustion (e.g., coal and gas boilers), industrial processes (e.g., cement production)	1
Methane	CH ₄	Natural gas leaks, landfills, wastewater treatment, livestock (e.g., transportation in DEC's supply chain)	28 (100-year scale)
Nitrous Oxide	N ₂ O	Agricultural fertilizer use, industrial nitric acid production, fuel combustion (e.g., gas turbine exhaust)	265
Hydrofluorocarbons	HFCs	Refrigerants (e.g., air conditioning, chillers), foam production	Up to 14,800 (e.g., HFC-23)
Perfluorocarbons	PFCs	Aluminum smelting, semiconductor manufacturing	Up to 12,200 (e.g., CF ₄)
Sulfur Hexafluoride	SF ₆	Electrical equipment (e.g., high-voltage switch insulation), magnesium alloy production	23,500
Nitrogen Trifluoride	NF ₃	Semiconductor and LCD panel manufacturing	17,200

Climate-related targets, metrics, and progress

DEC is fully committed to building resilience against climate change and continues to track and manage overall progress toward carbon reduction and other climate goals to ensure their achievement. The Company has established a phased and quantifiable roadmap for green, low-carbon, and digital transformation.

Based on global energy trends and the characteristics of the equipment manufacturing industry, DEC aims to peak its carbon dioxide emissions by 2030 and strives to achieve this target ahead of schedule.

Short-term (by 2025) targets	Mid-to-long-term (by 2030) targets
<p>By 2025, the Company's industrial structure and business layout will be further optimized, and energy efficiency will be significantly improved.</p> <ul style="list-style-type: none">◆ All core manufacturing subsidiaries will be transformed into green demonstration factories, achieving: a 15% reduction in comprehensive energy consumption per RMB 10,000 of output (operating revenue) compared to 2020; and an 18% reduction in carbon dioxide emissions per RMB 10,000 of output (operating revenue) compared to 2020;◆ The Company aims to publish an industry standard for the carbon footprint of key power equipment products. The digital transformation process will reach the industry level, with a digital transformation index ranking among the top central enterprises. R&D, design, manufacturing, operations, management, product services, and industrial collaboration will be fully digitized, with key manufacturing workshops upgraded to digital workshops. Finance, contract management, and procurement will achieve digital integration, dynamic coordination, and unified operations, significantly improving overall operational efficiency.	<p>By 2030, DEC aims to achieve significant success in green and low-carbon transformation, with continued optimization of key indicators.</p> <ul style="list-style-type: none">◆ Key manufacturing companies will establish a number of nationally recognized green factories, targeting a 30% reduction in carbon dioxide emissions per RMB 10,000 of output (operating revenue) compared to 2020.◆ We also anticipate continuous growth in annual R&D investment.◆ The digital transformation level will reach the platform stage, with at least four intelligent factories established across its manufacturing subsidiaries.

Social

Uniting for Shared Development and Creating a Better Society

DEC adheres to a people-centric approach, striving to achieve harmonious and mutually beneficial outcomes for employees, customers, partners, and society. The company prioritizes employee rights protection and development training, fosters shared growth between employees and the organization, maintains a customer-focused approach to enhance satisfaction, collaborates with partners, and actively contributes to society.

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UN's Sustainable Development Goals (SDGs)



Enhancing Employee Well-being

DEC consistently regards employees as its most valuable asset and places their well-being at the core of its development strategy. The company is committed to building a comprehensive employee rights protection system, improving training mechanisms, strengthening occupational health and safety management, and promoting work-life balance.

Employee right protection

DEC upholds a people-first principle, ensuring the protection of employees' legal rights as a top priority. The company strictly complies with the Labor Law and other relevant regulations, establishing robust mechanisms to protect employee rights and ensure they are fully respected and upheld.

During the reporting period, DEC was recognized on the "2024 Top 100 Best Employers" list by professional institutions such as Zhaopin.com, Institute of Social Science Survey Research Center at Peking University and National School of Development at Peking University.



DEC Listed Among "2024 Top 100 Best Employers"

Equal employment

During the reporting period, in addition to complying with national labor laws and regulations, the company implemented internal policies such as the Guidelines on Further Improving Market-Oriented Recruitment Mechanisms and the Labor Contract Management Regulations to foster fair, just, and harmonious employment relationships. The company firmly opposes any form of employment discrimination or forced labor.

In recruitment, promotion, compensation, and training, DEC adheres to the principle of equal opportunity, actively promotes diversity and inclusion, and prohibits discrimination based on nationality, race, gender, religion, age, disability, sexual orientation, marital status, or other legally protected characteristics. No incidents of child labor or forced labor were reported during the period.

DEC's Employee Composition (2022-2024)

Indicator	Unit	2022	2023	2024
Total employees	Persons	17,463	17,426	18,033
Male employees	Persons	14,434	14,463	15,014
Female employees	Persons	3,029	2,963	3,019
Contract employees	Persons	17,463	17,426	18,033
Part-time/agreement employees	Persons	3	99	85
Labor dispatch	Persons	707	588	498
Proportion of women in management	%	11.51	11.11	7.51
Labor contract signing rate	%	100	100	100
Social insurance coverage rate	%	100	100	100

Compensation and welfare

DEC has comprehensively advanced performance management by establishing a differentiated compensation allocation mechanism. The company quantifies allocation standards based on business characteristics, directing income toward core technical roles and frontline positions with challenging conditions to enhance the competitiveness of key positions. For key talents, the company implements separate compensation plans for urgently needed and high-level talents, improves the job level system, and links promotions to professional competence and performance contributions, ensuring clear career paths for core talents. Additionally, the company actively implements medium- and long-term incentives, increasing investment in the training and compensation of skilled personnel.

The company strictly complies with labor laws and regulations, ensuring timely and full payment of statutory social insurance, housing provident funds, and supplementary medical plans for employees. It also provides regular health check-ups and enterprise annuity plans, strengthening oversight of annuity investment operations. The company fully implements the paid annual leave system, significantly enhancing employees' sense of fulfillment and well-being.



Employee stock ownership in mixed-ownership reform

DEC adheres to a people-centric approach, striving for common development and shared success between the company and its employees. Subsidiaries DEC Wind and DEC Hydrogen Energy pioneered employee stock ownership pilot programs under mixed-ownership reform.

Following the implementation of the employee stock ownership plan, both subsidiaries maintained strong growth momentum amid fierce industry competition. Total assets experienced rapid growth, technological innovation capabilities advanced significantly, and market expansion reached new milestones. Market-oriented management mechanisms were continuously optimized, talent recruitment and retention yielded promising results, overall labor productivity showed steady improvement, and the turnover rate of key talent consistently declined.

Employment creation

The company resolutely implements the CPC Central Committee's stabilizing employment policies, actively fulfilling its social responsibility as a central enterprise. It continues to increase recruitment efforts for college graduates, contributing to employment stability.

2024 Graduate Recruitment Achievements

Signed contracts with 1,079 graduates from the class of 2024 (including some from previous years), Recruitment quality improved significantly, the proportion of master's degree and PhD graduates among new hires remains consistently high. Both the quantity and quality of graduate recruitment reached record highs since the 13th Five-Year Plan period.

2025 Graduate Recruitment Progress

As of December 31, 2024, employment intentions were reached with 662 graduates from the class of 2025, This includes 34 Ph.D. candidates and 384 master's candidates.

Employee development system

DEC continues to advance its talent leadership strategy, viewing employee development and training as a critical component of enhancing the company's core competitiveness. The company actively builds a comprehensive, multi-level, and systematic talent development system, covering talent recruitment, selection, training, and more.

By implementing high standards for talent leadership, cultivating a professional cadre of leaders, attracting high-quality talent, and systematically empowering employees, DEC continuously optimizes its talent structure, improves employees' professional capabilities and comprehensive qualities, and injects sustained vitality into the company's high-quality development.

During the reporting period, the company increased its recruitment of high-level talent by 17.2% year-on-year, nearly matching the total recruitment of the first three years of the 14th Five-Year Plan. The average human capital index rose by 6.6%, Key metrics, including labor cost profit margin and labor cost efficiency, showed continuous improvement. Workforce productivity achieved a historic peak.

Talent recruitment

Attracting and utilizing global talent is key to achieving high-level technological self-reliance. DEC prioritizes talent acquisition as a cornerstone of its development strategy. Through multi-dimensional and systematic recruitment efforts, the company has gathered a group of high-quality and professional talents, providing robust support for the development of strategic emerging industries and the accelerated construction of a world-class enterprise.

Building Talent Hubs

The company advanced the construction of talent zones in national key laboratories. The "1+16" institutional system, talent channel development, decentralization and empowerment, and compensation reforms were implemented as planned. A new talent zone was established at DEC Machinery's hydropower original technology hub, featuring innovative measures such as project chief responsibility, team performance evaluation, and diversified compensation incentives.



Adopting Comprehensive Talent Attraction Strategy

Developed a high-level talent recruitment and cultivation roadmap to ensure talent supply for strategic emerging industries. Among newly recruited high-level talents, **60.9%** were in strategic emerging industries.

Strengthening the Talent Base

Conducted 31 campus recruitment events across 18 provinces, municipalities, and autonomous regions, including the first recruitment event in Tibet.

Talent selection

During the reporting period, the company deepened reforms in its cadre and personnel system, establishing a robust framework to identify and nurture outstanding talent. To better serve industrial development, the company innovated talent selection methods, introducing outstanding external cadres to inject new vitality into its leadership team. Through specialized research and open competitions, over 60 young cadres were promoted.

The company continuously optimizes its talent selection and evaluation system, aligning with national expert talent project standards. In 2024, it added 18 provincial and ministerial-level experts and 111 corporation-level experts, improving both the quantity and structure of its expert team.

Talent training

To enhance the effectiveness of talent training, the company focuses on the "Six Major Talent Development Projects", implementing annual unified training programs with a focus on technological innovation, emerging industries, and management improvement.

DEC has established scientific and reasonable position systems and career advancement pathways, formulating the Professional Position Management Measures and Position and Rank Management Regulations to define employees' roles, ranks, and job sequences.

In addition to company-wide training, each production and operational department develops and implements annual training plans based on departmental and position needs. In 2024, the company conducted 75 unified training programs across 141 sessions, training 30,037 participants. The company deepened reforms in professional titles and vocational skill levels, gaining independent evaluation authority for senior engineering titles. It evaluated 428 senior titles and 100 advanced vocational skill levels, and selected the first batch of 14 dual-qualified talents.

Building excellence with "craftsmanship": National-level skill master studios leading the path to talent empowerment

DEC places high importance on the development of skilled talent, making the cultivation of high-skilled leading talents a key strategic priority. In May 2024, the skill master studio led by "Great Country Craftsman" Cui Xingguo was recognized as a national-level skill master studio, marking a new milestone in the company's efforts in skilled talent cultivation and technological innovation.

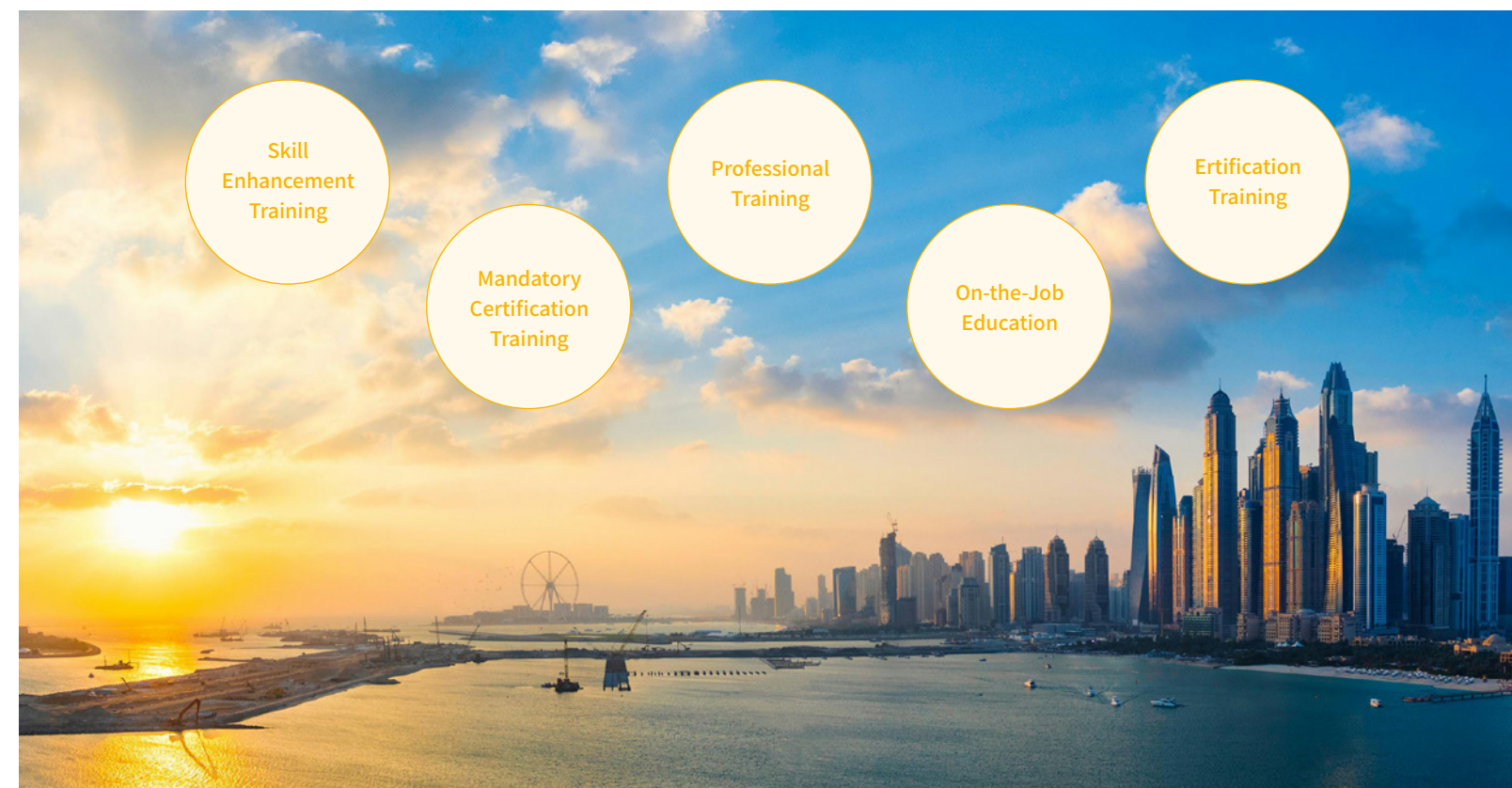
By the end of 2024, DEC had established five national-level skill master studios, serving as vital hubs for technical innovation and high-skilled talent cultivation.

National-Level Skill Master Studio

Li Xiaojun National-Level Skill Master Studio
Wen Xiaoshan National-Level Skill Master Studio
Wen Zhongbo National-Level Skill Master Studio
Kong Jianwei National-Level Skill Master Studio
Cui Xingguo National-Level Skill Master Studio

Talent development

DEC highly values employees' career development and skill enhancement. The Employee Training Management Regulations stipulate that a certain percentage of the total employee salary budget is allocated annually for training, ensuring sufficient resources for training venues, materials, travel, instruction, certifications, and self-study rewards. This comprehensive support fosters employees' skill improvement and career growth.



Occupational health and safety

DEC consistently prioritizes employee occupational health and safety as the foundation of its development. The company has built a comprehensive occupational health and safety management system, increasing safety investments, strengthening specialized training, and thoroughly addressing potential hazards to effectively mitigate risks and ensure employees' safety and health.

Occupational health management system

The company has obtained ISO 45001 occupational health and safety management system certification and developed management manuals and procedural documents in accordance with the standard. Subsidiaries tailor and implement job safety operating procedures based on their operational realities, risk levels, work nature, and specific tasks, ensuring compliance with national laws, regulations, and standards.

Creating a safe work environment

In 2024, the company intensified efforts in occupational disease prevention, actively controlling and eliminating hazards at the source. Through material substitution, process improvements, and engineering controls, the company promoted non-toxic and low-toxic alternatives, effectively reducing volatile organic compound emissions and significantly improving workplace health conditions:

DEC Machinery

implemented an acetone reduction initiative, achieving benzene-free improvements in polyurethane and epoxy diluents, and fully replacing benzene-based cleaning agents in some workshops.

DEC Boiler

widely adopted water-based paints, with usage exceeding 90%.

Occupational disease prevention

DEC strictly complies with the Ministry of Health's Measures for the Supervision and Administration of Occupational Health Surveillance and other relevant regulations, fully implementing occupational hazard reporting, routine monitoring, periodic testing, and personal protective equipment management. Through various visual and informational channels, the company ensures employees are fully aware of workplace hazards and protective measures.



"Mandatory Testing"

Organized pre-employment, in-service, and post-employment health checkups for all employees exposed to occupational hazards (e.g., noise, dust, toxic substances, high temperatures), achieving a **100%** checkup rate.



"Prohibited Job Transfers"

For employees with occupational contraindications, the company strictly follows the regulations to transfer them to other positions and makes proper arrangements for them, effectively safeguarding the employees' health rights and interests.

Work and life balancing

DEC advocates for a healthy and progressive lifestyle and work philosophy. By meticulously planning a series of engaging and high-participation employee activities, the company fosters a dynamic, united, and forward-driven corporate culture. Additionally, DEC has established a comprehensive and employee-centric care system, ensuring that the company's commitment to employee well-being is thoroughly implemented.

Employee activities

DEC places great emphasis on the physical and mental well-being of its employees, as well as their overall development. Through a diverse range of cultural and sports activities, the company cultivates a warm and harmonious work environment, enhancing employees' sense of happiness and belonging.

Enriching cultural and sports activities to enhance employees' quality of life

DEC is committed to elevating the quality of employee cultural activities, enriching their spiritual and cultural experiences, and strengthening team cohesion. Through carefully designed and well-organized recreational and sports events, the company fulfills employees' aspirations for a fulfilling and enjoyable life.



DEC Lawn Music Festival

In 2024, DEC organized a variety of activities, including the "Cohesion · Innovation" Cup volleyball, table tennis, and basketball tournaments, as well as the inaugural Lawn Music Festival. The company also supported interest groups such as yoga, ensuring employees could safely and conveniently participate in a range of fitness and wellness activities.

Employee care

DEC is dedicated to employee well-being, particularly for those facing difficulties, by establishing supportive mechanisms that help employees overcome real-life challenges and foster their overall physical and mental health.

To safeguard the rights of female employees during critical life stages such as pregnancy, childbirth, and parenting, DEC has explicitly outlined maternity leave, childbirth leave, nursing leave, childcare leave, breastfeeding leave, parental leave, family planning leave, and marriage leave in its Employee Leave Management Regulations. Additionally, to demonstrate its care for female employees.

Chinese New Year Garden Party



Summer Cooling Program



DEC Machinery: Building a comprehensive health system with data-driven employee care

DEC Machinery places great emphasis on employee health and well-being, pioneering the establishment of an Employee Health Index Data Model. This innovative system integrates health services, awareness guidance, skill enhancement, nutrition management, exercise promotion, and workplace wellness, ensuring a holistic and meticulous approach to employees' physical and mental health.

- ◆ Conducted 7 in-depth discussions on healthy cafeteria initiatives, implementing 12 service improvements;
- ◆ Organized 4 company-wide fitness events, engaging over 3,000 participants;
- ◆ Held 15 on-site health check-up sessions and provided chronic disease management services to over 4,400 employees;
- ◆ Implemented 11 workplace health improvements and hosted 28 seminars on health awareness and knowledge;
- ◆ Installed 2 pre-shift health monitoring stations and 7 AED emergency devices, further strengthening workplace health protection measures.



DEC Machinery's Pre-Shift Health Monitoring Station

Since the launch of the company's comprehensive health program, we can now monitor our health in real-time, even amid busy work schedules. This initiative allows us to maintain high productivity while enjoying a healthier and more fulfilling work-life experience. I truly feel the company's care and commitment to every employee.

— Sun Liangqi, Employee at DEC Machinery



Enhancing Customer Service

DEC consistently adheres to the service philosophy of "24-hour service, demand-oriented, satisfaction-pursued". We continuously refine our user service system, establishing a comprehensive and responsive service network that provides clients with all-around, full-process, and round-the-clock professional support. Our commitment to superior service spans the entire product lifecycle, leveraging cutting-edge technology and efficient service to bolster national energy supply security.

Supporting energy supply

During the peak seasons of summer and winter, DEC swiftly responds to the surging energy demands, offering clients efficient and rapid technical support to ensure energy supply stability.

Summer: Ensuring Reliable Energy Supply



Kyrgyzstan Uch-Kurgan Project – A DEC Machinery's generator installation engineer inspects the rotor lower flange at the project site.



Dongguan Shenran Gaobu Power Plant – A DEC Turbine's product R&D engineer provides on-site service.



Zhoushan Liuheng Project – A DEC Boiler's site engineer measures deviations in exhaust pipe dimensions.



Tianjin Base – A DEC Wind's manufacturing technician installs the pitch bearing lubrication system.

Winter: Delivering Warmth with Every Degree



Zhongneng Hami Project, Hami City in Xinjiang – At -10°C, DEC Turbine's project service engineer Song Chuan provides technical guidance for turbine installation, ensuring high-quality and timely commissioning.



Fukang Pumped Storage Power Station, Changji Hui Autonomous Prefecture in Xinjiang – At -5°C, DEC Machinery's project service personnel, Liu Chuankun and Fan Pai, conduct performance testing on the generator unit to verify its operational indicators under various conditions.



Hetian Thermal Power Project, Xinjiang (Taklamakan Desert Edge) – In temperatures ranging from -10°C to -20°C, DEC Boiler's project service engineer Wang Yunsen inspects the thermal expansion and guiding system of Unit 1's power station boiler to ensure safe and stable operation.



Akesai Huidong New Energy "Solar Thermal + Photovoltaic" Project, Gansu – At -10°C, DEC Boiler's project team member Lin Xuesong performs a heliostat cleanliness inspection, ensuring optimal solar reflection and energy efficiency.

Commitment to customer satisfaction

DEC remains steadfast in its customer-centric approach, continuously innovating service models and establishing a comprehensive, multi-tiered, and integrated customer communication and service system. We are dedicated to creating greater value for our customers.

A multi-tiered customer communication & excellence-driven service system focused on customer satisfaction

DEC places customers at the core of its operations, developing a robust after-sales service system and a multi-tiered stakeholder engagement mechanism to deliver exceptional service and foster long-term, mutually beneficial relationships.

- ◆ **"24-Hour Service Spirit"** – We ensure rapid response to customer needs under any circumstances: providing technical and quality service information within 24 hours, dispatching personnel for on-site service within 24 hours, and initiating production of out-of-stock spare parts within 24 hours.
- ◆ **"Smart Customer Service System"** – DEC has independently developed an intelligent service platform (<https://service.dongfang.com/>), leveraging the "Internet + Service" model to provide free online technical consultations, solution sharing, and troubleshooting guidance, significantly enhancing service efficiency.
- ◆ **"Customer Service Manager" Model** – Since 2019, DEC has assigned a dedicated one-on-one service manager to each power station user, handling after-sales service and product sales with personalized support and swift response. This system has been successfully implemented and widely praised.
- ◆ **Multi-Tiered Communication Mechanism** – DEC has established a multi-level liaison system spanning headquarters and subsidiaries, proactively engaging customers, maintaining an issue-tracking list, and ensuring rigorous follow-ups. Key matters identified through customer interactions are strictly implemented per the Action Item Management Regulations, ensuring that customer feedback is acknowledged and effectively addressed.

Customer Communication & Complaint Resolution

DEC has developed a customer-centric quality management mechanism and a comprehensive customer complaint resolution system to ensure timely and effective responses to customer concerns. In 2024, **the company recorded zero major quality complaints.**

Comprehensive customer communication system

DEC has established a tiered customer service structure, appointing dedicated customer managers responsible for daily communication, demand coordination, and issue resolution. The company actively collects customer feedback through regular follow-ups and satisfaction surveys, while also offering multiple reporting channels, including its Customer Relationship Management (CRM) system, service hotline, and email, ensuring comprehensive and multi-channel information collection.

Efficient complaint handling process

All customer complaints are integrated into DEC's Quality Incident Management System for centralized tracking and resolution. DEC commits to responding to complaints within 24 hours, with weekly follow-ups to ensure timely resolution. Additionally, we conduct in-depth analysis of complaints to identify and eliminate potential issues, dedicating resources to resolve significant or complex quality problems thoroughly.

Strict complaint management system

DEC has revised and refined its Quality Incident & Accountability Management Measures, clearly defining standards for evaluating customer complaints and implementing a tiered complaint management system. For significant or severe quality complaints, DEC enforces strict accountability measures aligned with its quality management protocols, reinforcing rigorous complaint oversight and enhancing customer satisfaction.

DEC's lean project management: customer-centric approach for high-performance delivery

DEC continuously optimizes the execution of major projects, customer relationship maintenance, and project payment recovery, striving to deliver exceptional service to clients.

To ensure the timely delivery of major projects, DEC has implemented a dedicated project management mechanism, established a key project monitoring list, and optimized the scheduling meeting system. In terms of customer relationship maintenance, we have introduced monthly collection, quarterly review, and regular supervision mechanisms to break down information barriers. By strengthening project analysis and establishing early warning mechanisms for project deviations, we identify and mitigate potential risks through credit status monitoring and production coordination meetings, ensuring smooth project execution and creating value for customers.

Through refined management and efficient collaboration, DEC has achieved controlled project execution, zero major customer complaints, and full recovery of project payments. The company has received numerous letters of appreciation from clients, earning widespread recognition.

感谢信

东方电气集团东方汽轮机有限公司：

大唐惠州博罗燃气热电联产项目一机组于 2023 年 9 月 28 日开工建设，目前一机组已全部安装完成，调试工作正在紧锣密鼓推进中。在此，特向贵司各级领导和全体参加此项目的人员表示衷心的感谢和诚挚的问候！

大唐惠州博罗燃气热电联产项目一机组高效安装完成，离不开贵公司的的大力支持。项目执行过程中，贵公司李艳总、项目中心李小勇主任多次到现场沟通协调，推进外协厂家及时供货，项目经理焦方胜同志精心组织、统筹协调；现场复装团队克服工期短任务重、夏季高温、复装交叉作业等困难组织开展三班倒作业，切实践行东方电气 24 小时服务精神，高质量完成了燃机复装、安装指导等工作。贵公司服务团队所表现出来的严谨工作态度、统筹协调、服务周到的精神令人钦佩，值得称赞！

在此，特向贵司全体参建人员的辛勤付出和工作成就表示衷心感谢！希望贵我双方继续加强合作，携手共进，再创辉煌！祝贵司事业蒸蒸日上！同时，望贵司在二机组供货及现场复装、调试等工作中继续给予大力支持！

大唐惠州博罗燃气热电联产项目一机组供货及现场复装、调试等工作中继续给予大力支持！

2024 年 12 月 25 日

Letter of Appreciation from Datang Huizhou Thermal Power Co., Ltd. to DEC Turbine

感谢信

东方电气集团东方锅炉股份有限公司：

湛江京信东海电厂 2×660MW “上大压小” “热电联产” 燃煤机组工程 2 号机组于 2025 年 01 月 24 日顺利通过 168 小时试运行！在此我司特向贵公司建设期间给与的帮助表示衷心的感谢！

自项目合同签订以来，贵公司各部门通力合作，项目管理团队积极配合现场工作，及时将锅炉设备供货到位，为湛江京信电厂工程建设的各项节点顺利实现提供了可靠保障。贵公司的高质量履约能力，充分展现了贵公司的责任与担当。

在机组试运行期间，现场服务代表、调试人员辛勤劳动与无私奉献，以精益求精、高度负责的工作态度，以及熟练的技术功底，耐心细致地对现场进行交流指导，为本工程做出了重大贡献。对于贵公司在本工程中体现的高度责任感与使命感再次表示感谢！

希望双方精诚合作、再接再厉，争取更大的成绩！新春佳节来临之际恭祝东方电气集团东方锅炉股份有限公司兴旺发达，事业蒸蒸日上！

湛江京信发电有限公司

Letter of Appreciation from Zhanjiang Jingxin Power Generation Co., Ltd. to DEC Boiler

Collaborating with Partners for Mutual Success

Underpinned by our core values of "value co-creation for a shared prosperity", we have cultivated a mutually beneficial industrial ecosystem, working closely with our partners towards shared growth and prosperity.

Supplier management

DEC is committed to establishing a responsible and sustainable supply chain. We implement a full lifecycle management approach for suppliers, covering sourcing, qualification, evaluation, and exit processes, all of which are digitized and transparently managed through our procurement management platform. In accordance with the Supplier Management Regulations, we rigorously manage suppliers to ensure they meet DEC's standards in quality, technology, environmental responsibility, and social accountability.

Indicator	Unit	2022	2023	2024
Total suppliers	Number	17,675	15,576	18,444
New suppliers	Number	3,483	3,376	3,227
Domestic suppliers	Number	16,925	14,798	17,449
Proportion of domestic suppliers	%	95.79	95.00	94.60

Supplier qualification

DEC employs a rigorous and comprehensive qualification process for suppliers, particularly focusing on the technical, equipment, process, production, quality assurance capabilities, and performance of product suppliers. For new suppliers providing critical or important products, a series of evaluations and validations are conducted. Only those who pass stringent assessments are approved as qualified suppliers:

On-site Evaluation

On-site inspections are conducted to assess production conditions and management levels.

Technical Validation:

Key technical capabilities are verified through methods such as producing prototypes or test pieces.

Performance Assessment

Suppliers of other materials are evaluated based on their historical performance data.

Supplier evaluation

DEC conducts an annual comprehensive performance evaluation of all qualified suppliers, with results applied in procurement processes:

- ◆ **Product Suppliers:** Rated as Excellent, Good, Qualified, or Unqualified based on performance in quality, cost, delivery, and service.
- ◆ **Non-product Suppliers:** Rated as Qualified or Unqualified based on the comprehensive performance evaluation results.
- ◆ Suppliers inactive in procurement for three years are directly rated as Unqualified.

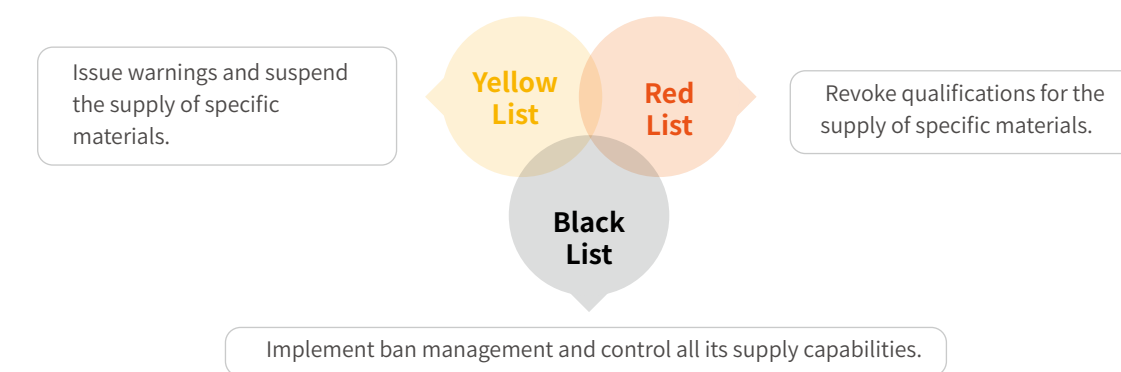
Supplier exit mechanism

DEC has established a clear exit mechanism for suppliers who fail to meet requirements, including but not limited to:

- ◆ Poor performance evaluations.
- ◆ Failure to pass or complete re-evaluations upon expiration of validity.
- ◆ Cancellation of business licenses.
- ◆ One-time suppliers not approved as formal or trial suppliers after participation in procurement activities.

Supplier supervision and "Three-Color List" management

DEC utilizes the procurement management platform to monitor supplier qualifications and procurement activities in real time. Suppliers exhibiting insufficient performance or violations are categorized into Red, Yellow, or Black lists based on severity:



This "Three-Color List" system effectively identifies and mitigates supplier risks, ensuring supply chain stability and reliability.

Green supply chain

Aligning with China's "Dual Carbon" goals, DEC has explicitly mandated all business units to promote the development of green supply chains through the Procurement Management Regulations and Supplier Management Measures:

Establishing a green procurement system and supplier evaluation framework

DEC has integrated green and low-carbon indicators into its supplier evaluation system, clearly defining green procurement requirements.

Encouraging green and low-carbon products and services

DEC actively encourages suppliers to develop green and low-carbon products and services, prioritizing their procurement under equal conditions.

Ethical supply chain

DEC places high importance on transparency and compliance in supply chain management and actively responds to the country's call for corporate social responsibility and responsible procurement, embedding supplier management into its ESG strategy. The company has formulated the Procurement Supervision Regulations, establishing a three-tiered supervision framework involving self-inspections by business departments, oversight by functional departments, and disciplinary accountability by supervision authorities. Through a combination of special inspections, routine supervision, and external audits, DEC employs data analysis, on-site inspections, online monitoring, and document verification to oversee procurement activities comprehensively, thereby establishing a clear complaint handling and supervision process.

To mitigate the risks of commercial bribery and unfair competition, DEC has consistently strengthened the scrutiny of supplier relationships, particularly focusing on the risks of bid-rigging and collusion. The company issued the Notice on Standardizing Supplier Risk Query and Early Warning in the Procurement Management Platform, defining supplier relationships and establishing mechanisms for relationship screening during supplier qualification and procurement planning stages. Additionally, information technology has been utilized to provide early warning alerts.

In September 2024, DEC conducted training on supply chain management systems, covering procurement and supplier management leaders, department heads, and key personnel across all subsidiaries. In November 2024, a specialized training session was held for supply chain management professionals.



Supply Chain Management Training



Equal treatment of SMEs

DEC steadfastly implements the decisions and deployments of the CPC Central Committee and the State Council regarding the protection of payments to SMEs and the eradication of wage arrears for migrant workers. In accordance with the "Regulations on Payment Protection for Small and Medium-sized enterprises" and the relevant requirements of the State Council's Leading Group for Eradicating Wage Arrears for Migrant Workers, the company has formulated and comprehensively implemented the "Safe Salary" initiative. This initiative ensures the timely and full payment of accounts for private enterprises and SMEs, as well as wages for migrant workers.

Subsidiaries of DEC have established a "SME Debt Clearance" section on their respective official websites. These sections list the positions, names, and contact numbers of personnel responsible for handling any payment delays. SMEs can directly contact these personnel in case of any payment issues.

During the reporting period, neither DEC nor its subsidiaries have encountered any instances of delayed payments to SMEs or wage arrears for migrant workers.

Promoting industry development

As one of the world's largest suppliers of power generation equipment and power station engineering contractors, DEC actively participates in industry exchanges and collaborations. The company is committed to driving the overall development of the energy equipment manufacturing industry through technological innovation and industrial upgrading.

"Chaining" global clean energy for a green and low-carbon future

DEC actively engages in international cooperation to promote the global transition to green and low-carbon energy. In November 2024, the second China International Supply Chain Expo (CISCE) was held. DEC, along with its subsidiaries DEC Machinery, DEC Turbine, and DEC Boiler, participated in the clean energy chain exhibition area. The company showcased its latest achievements in clean energy, strategic emerging industries, and international supply chain cooperation.

DEC President Zhang Yanjun delivered a keynote speech at the clean energy theme event, sharing the company's experiences in integrating innovation and industry chains, building digital transformation chains, and strengthening the overseas expansion of energy equipment. He expressed DEC's willingness to collaborate with domestic and international partners to develop high-end green and low-carbon energy equipment and technologies. During the exhibition, Zuo Yongxiang, vice governor of Sichuan province, visited the DEC booth. He highly praised the company's achievements in "Sichuan-made" new quality productivity and global supply chain management, and encouraged DEC to continue leading the green and low-carbon transformation of industrial and supply chain enterprises.



DEC's seventh consecutive participation in the CIIE, promoting high-quality sustainable development

In November 2024, DEC participated in the China International Import Expo (CIIE) for the seventh consecutive year, leveraging the advantages of China's vast market to deepen global cooperation in the energy equipment sector.

During the centralized signing event, DEC Turbine signed agreements with Huaneng Jiangsu Energy Development Co., Ltd. and Mitsubishi Heavy Industries Dongfang Gas Turbine (Guangzhou) Co., Ltd. for the supply of main equipment and long-term maintenance services, as well as the procurement of demonstration unit main equipment.



DEC showcases at nuclear industry exhibition, leading high-quality development in nuclear energy to support the "Dual Carbon" goals

At the China International Nuclear Industry Exhibition in March 2024, the company comprehensively demonstrated its strengths in industrial layout, manufacturing capabilities, independent R&D in nuclear energy, major achievements, key products, the "going global" of nuclear power equipment, and digital transformation.

DEC operates four nuclear equipment manufacturing bases in Deyang and Zigong, Sichuan; Guangzhou, Guangdong; and Wuhan, Hubei. The company possesses integrated capabilities in the R&D, design, manufacturing, and servicing of nuclear-grade equipment, holding design qualifications for nuclear Class 1, 2, and 3 equipment. DEC has the capability to develop nuclear island equipment, conventional island equipment, and control systems for nuclear power stations. The company has developed nuclear island and conventional island equipment for projects such as "Hualong No.1" and "Guohe No.1", and has successfully developed a nuclear power half-speed steam turbine generator set with completely independent intellectual property rights, achieving international advanced levels.



Deepening strategic partnerships

DEC actively expands multi-level and multi-domain collaborations with governments, enterprises, universities, and other stakeholders to co-create value and shape a shared future.

Cooperation with governments



Signed a strategic cooperative agreement with the People's Government of Sichuan Province



Signed a strategic cooperative agreement with the People's Government of Xinjiang Uygur Autonomous Region

Cooperation with enterprises



Signed a strategic cooperation framework agreement with Ansteel Group



Signed a strategic cooperation framework agreement with Guangdong Energy Group



Signed a strategic cooperation framework agreement with China FAW Group



signed a cooperation agreement with Huaneng Nuclear Energy Technology Research Institute Co., Ltd.

Cooperation with scientific research institutes



Signed a strategic cooperation agreement with Zhejiang University of Technology in Hangzhou



Signed a strategic cooperation agreement with China Academy of Machinery Science and Technology Group

Dedication to Social Responsibility

DEC actively responds to national strategies, deeply engages in the great practice of rural revitalization, and extensively carries out public welfare activities to give back to society and spread love and warmth. In overseas business expansion, DEC adheres to the principle of mutual benefit and actively fulfills its corporate citizenship responsibilities, promoting local economic and social development while enhancing the positive international image of Chinese enterprises.

Advancing rural revitalization

Leveraging its technological strengths, DEC supports Zhaojue County in developing clean energy through initiatives such as "PV+", "Smart+", and "Livestock+" to strengthen village collective economies and increase farmers' income. Additionally, DEC assists Ji County in building an "Apple Town" to promote diversified economic development.

In 2024, the company's total investment in rural revitalization amounted to 25.0311 million yuan, representing a 12.84% increase compared with 2023. DEC has received favorable evaluations in the fixed-point assistance assessment conducted by the State-owned Assets Supervision and Administration Commission for four consecutive years.

DEC's recent achievements in rural revitalization

- ◆ Dispatched **35** full-time assistance cadres and team members to designated counties, towns, and villages.
- ◆ Invested a cumulative total of RMB **228** million in assistance funds, directly purchasing **127** million RMB of agricultural products from assistance regions and facilitating sales of **134** million RMB.
- ◆ Trained over **13,000** grassroots cadres, wealth leaders, and technicians, helping more than **2,100** impoverished individuals secure employment.
- ◆ Hired **56** college students and young people from assistance counties to work in DEC subsidiaries.
- ◆ Assisted **296** impoverished villages, over **34,000** households, and more than **140,000** impoverished individuals in achieving poverty alleviation.

Supporting the development of pillar industries

DEC leverages Zhaojue County's abundant wind and solar resources and its positioning as a clean energy hub to systematically plan industrial layouts and attract strategic investments. By promoting the cluster development of clean energy industries and advancing high-end equipment manufacturing projects such as wind turbine motors, DEC has filled the gap in local equipment manufacturing, injecting new momentum into industrial transformation and creating a dual-driven development model of clean energy and advanced manufacturing.

Promoting resource and industrial integration

By revitalizing idle resources and paired assistance, DEC has built a diversified income-generating system:



0.5 MW Potato Agri-PV Project

Empowering diversified economic development

Building on Ji County's apple industry advantages, DEC promotes brand unification, deepens benefit linkages, and promotes advanced technologies to upgrade the apple industry:



DEC's Rural Revitalization Industrial Assistance Base

Commitment to public welfare and charity

DEC actively advocates the volunteer service spirit of "dedication, fraternity, mutual assistance and progress", and regards volunteer service as an important carrier for cultivating and practicing the core socialist values. During the reporting period, the company carried out 2,085 various volunteer service activities, and the number of people participating in volunteer service activities reached 16,559 person-times.

Public welfare into the community

DEC youth volunteers engage in communities, embodying the spirit of Lei Feng in the new era

As the 2024 Lei Feng Memorial Day approached, DEC organized youth volunteers to engage in community service activities, demonstrating the mission and responsibility of central enterprise youth and actively promoting the spirit of Lei Feng. The company's headquarters directly under the Youth League Committee, DEC Boiler Youth League Committee, and DEC Turbine Youth League Committee organized young members to visit communities such as Dongfangyuan and Wenjiexiang in Chengdu, Dongqi Xinyuan and Nanbin Jiayuan in Deyang, conducting over 20 high-quality community service activities.



DEC Youth Volunteers in the Community



Volunteers provided residents with a range of considerate services, including knife sharpening, haircuts, blood pressure measurements, family portraits, photo printing and laminating, and light bulb replacements.

Caring for youth development

Conducting a series of public welfare campus activities to support youth growth

DEC's affiliated enterprises actively organized young employees to participate in various volunteer activities on campus:

- DEC Machinery organized youth volunteers to participate in activities such as educational donations, voluntary blood donation, and community care.
- DEC Wind organized youth volunteers to visit Jinshan Street School in Deyang, conducting motivational education and psychological group activities on "emotional expression", and through science popularization, helping children understand the contributions of "Dongfang-made" wind turbines to the nation's clean energy development.
- Dongfang Electric Autocontrol Engineering organized youth volunteers to visit Deyang Special Education School, conducting a public welfare activity titled "Care for Special Students, Contribute a Heart of Love", through visits, exchanges, fun competitions, and donations of supplies, caring for the growth of special students.
- Young volunteers from Dongfang Electric (Wuhan) Nuclear Equipment went to Xugu Village and Liu'er Village in Xinzhou District, Wuhan, Hubei Province, to visit and support paired left-behind children families, bringing books, ping-pong paddles, sports shoes, and other learning and living supplies for the children.



DEC Machinery Volunteers Visit Luoqiebo Kindergarten



DEC Wind Youth Volunteers Visit Jinshan Street School in Deyang



Dongfang Electric Autocontrol Engineering Volunteers Visit Deyang Special Education School



Dongfang Electric (Wuhan) Nuclear Equipment Volunteers Visit Left-behind Children

Strengthening overseas responsibility

DEC proactively undertakes overseas social responsibilities, advocating for inclusive development and achieving a win-win situation for overseas responsibility and business growth. During the reporting period, DEC's Nam Mang Hydropower Project in Laos won the "Small yet Smart" Best Practice Case Award for International Energy Cooperation from the National Energy Administration.

Samarkand Photovoltaic Project: A Model of green energy, ecological protection, and community integration

On April 30, 2024, the Samarkand Photovoltaic Project in Uzbekistan, constructed by DEC, achieved full-capacity grid connection, meeting the electricity needs of 260,000 local households and reducing carbon dioxide emissions by approximately 230,000 tons annually. By establishing the "Silk Road Book House - China Bookshelf" and the Central Asian Tortoise Reserve, and by providing over 2,000 job opportunities, DEC facilitated a remarkable transformation of the local area from a desert into a thriving community and an energy blue ocean.

Protecting biodiversity

During the initial phase of the project, the discovery of 79 Central Asian tortoises, a vulnerable species listed on the IUCN Red List and the Red Book of Uzbekistan, prompted the project team to immediately halt construction. They then collaborated with local ecological experts in Samarkand to regularly implement "patrol-supply-rescue-education" services, ensuring the health and safety of each tortoise. Despite the challenging environment characterized by shifting sands and rocky terrain, the DEC project team established a dedicated conservation zone, facilitating tortoises' rehabilitation and recovery under professional care.



DEC Employees Conducting Regular Health Checks on Central Asian Tortoises

Creating green energy

The Samarkand Photovoltaic Project covers approximately 4.5 million square meters of land, equivalent to over 610 football fields. The neatly arranged photovoltaic panels and robots with "intelligent cleaning" functions greatly improve the efficiency and lifespan of the photovoltaic panels, enabling the local area to achieve a magnificent transformation from barren land to an energy blue ocean.



Overseas Open Day Event at the Project Site, Attended by Over 100 Representatives from Local Governments, Universities, Think Tanks, and Other Sectors

Driving local employment

During the project construction period, DEC hired 65 local technical professionals and provided job opportunities for 2,000 local workers. The company regularly visited and supported over 100 low-income individuals, disabled people, orphans, and lonely elderly people in the local area, repaired sports facilities for local schools, and donated books. DEC brought hope for common development and prosperity while enabling the local area to achieve a transformation from a desert to a thriving community.



DEC Employees Reading Tang Poetry with Local Employees' Children

Establishing the "Silk Road Book House - China Bookshelf"

In May 2024, the "Silk Road Book House - China Bookshelf" inauguration ceremony was held at the project site. This initiative was highly praised by Umid Mamadaminov, Deputy Minister of Energy of Uzbekistan. Elier, President of the University of World Economy and Diplomacy in Uzbekistan, stated that this cultural and technological integration has made a positive contribution to the development of a new era of all-weather comprehensive strategic partnership between Uzbekistan and China.

Green power co-building the "Belt and Road" initiative

DEC is deeply integrated into the "Belt and Road" initiative, actively expanding its international market and promoting economic prosperity in countries along the route. During the reporting period, DEC's footprint extended across Asia and Latin America, providing clean and reliable energy solutions to host countries.



Julius Nyerere Hydropower Station: Tanzania's Largest Hydropower Project Constructed by DEC

In Africa, DEC established a regional operation center and successfully secured the largest hydropower project in terms of single-unit capacity exported from China to Africa—the Koysha Hydropower Station Electromechanical Equipment Project in Ethiopia. This green power initiative has significantly advanced China-Africa cooperation to higher levels and broader fields.

In Central Asia, DEC, as a joint contractor, officially commenced the Almaty CHP-2 Gas Power Station EPC project in Kazakhstan. This project is currently the largest clean energy power station in Kazakhstan and the first gas turbine combined-cycle power station constructed by a Chinese enterprise in the country.

In 2024, DEC provided safe, reliable, green, and clean energy solutions and services to more countries and regions:

- ♦ Tanzania Malagarasi Hydropower Station EPC Project: DEC's first hydropower EPC project in Africa, which will effectively reduce Tanzania's reliance on fossil fuels and provide clean, reliable electricity.
- ♦ Ethiopia Koysha Hydropower Station Electromechanical Equipment Project: The largest hydropower project in terms of single-unit capacity exported from China to Africa (total installed capacity of 1,800 MW with six 300 MW units). Upon completion, the station will generate over 6 billion kWh annually, reducing carbon emissions by approximately 1 million tons, ensuring Ethiopia's energy security, and supporting economic development.
- ♦ Iraq Baghdad South No.1 Power Plant Single-Cycle to Combined-Cycle EPC Project: Upgrading the existing gas power plant to improve power generation efficiency and environmental performance, providing more stable and reliable electricity to Baghdad.
- ♦ Namibia Otjikoto 40 MW Biomass Power Station EPC Project: Namibia's first biomass power plant (40 MW), using invasive shrubs as fuel to provide clean electricity and promote local livestock development.
- ♦ Uzbekistan Bukhara Energy Storage Project: Providing energy storage system equipment supply, installation, and commissioning services to support the development of Uzbekistan's new energy market.
- ♦ Uzbekistan Buka 320 MWp Photovoltaic Power Station Project: Upon completion, the project will generate 572,502 MWh annually, saving over 160,000 tons of standard coal and reducing CO2 emissions by approximately 440,000 tons, alleviating power shortages in Tashkent and supporting energy transition.
- ♦ Costa Rica Belen Environmental Power Plant EPC Project: DEC's first large-scale waste-to-energy project in Latin America, aimed at reducing local landfill pressure and providing new green power supply.

Governance

Gathering Wisdom for Strong Governance and a Sustainable Future

DEC adheres to advanced management concepts, promotes lean management, builds a scientific governance structure, and strengthens quality and compliance operations. The company also improves safety production mechanisms, enhances emergency management and training, and ensures steady development.

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Upholding Business Ethics 96

Strengthening Safety Defense Line 101

UN's Sustainable Development Goals (SDGs)



Strengthening Lean Management

Scientific corporate governance, excellent quality management, and strong investor relations are key pillars for steady progress and sustainable development. DEC is committed to enhancing corporate governance and enterprise value, laying a solid foundation for long-term growth.

Corporate governance

The company has established a governance structure centered on the General Meeting of Shareholders, the Board of Directors, the Supervisory Board, and the management team. DEC strictly complies with the Company Law, the Shanghai Stock Exchange Guidelines for Sustainable Development Reporting, the Hong Kong Stock Exchange Corporate Governance Code, and other relevant regulations. The company has formulated rules for board and supervisory board meetings, as well as working rules for specialized committees. In 2024, DEC held 4 general meetings of shareholders, 13 board meetings, and 9 supervisory board meetings.

As of the end of 2024, the company has 7 board members, including 3 independent non-executive directors; 3 supervisory board members; and 8 senior executives, including the Chief Financial Officer, Senior Vice President, Board Secretary, and Vice Presidents.

ESG government statement of Board of Directors

The DEC Board of Directors consistently upholds the concept of sustainable development, integrating environmental, social, and governance (ESG) principles into the core of corporate strategy and operations. In accordance with the Hong Kong Stock Exchange ESG Reporting Guide and considering global climate change trends and stakeholder expectations, the Board solemnly commits to continuously improving the ESG governance system, enhancing information disclosure transparency, and driving high-quality development and long-term value creation.

The company has established a comprehensive ESG management system, designating the Board as the highest decision-making body for ESG matters. Its primary responsibilities include reviewing and approving ESG strategic goals, medium- and long-term plans, annual work plans, major issues, management frameworks, and systems.

To actively address global climate change, the Board continuously monitors climate-related policies and regulations, incorporating climate factors into strategic planning and risk management frameworks. In 2024, the company further implemented the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), strengthening climate-related governance, strategy, and risk management (see the "Climate Change" section for details).

The company places high importance on ESG materiality analysis, regularly identifying and updating key issues. In the future, through communication with internal and external stakeholders and considering industry trends and the company's conditions, DEC reviewed and updated its ESG issue list. External and internal industry experts were invited to conduct quantitative assessments of ESG material issues, and an ESG materiality matrix was developed to ensure the selection and prioritization of issues accurately reflect the company's ESG risks and opportunities.

The Board commits to the authenticity, accuracy, and completeness of the ESG report. In 2024, the company will continue to prepare and publish the ESG report in accordance with the requirements of the Shanghai Stock Exchange and the Hong Kong Stock Exchange. The report will comprehensively and objectively disclose the company's practices and performance in environmental, social, and governance aspects, including ESG strategy and policies, materiality analysis, key performance indicators, risk management, and stakeholder engagement. Additionally, the company will strengthen collaboration with external professional institutions to conduct ESG report assurance, ensuring report quality.

Director compensation and equity incentives

Executive compensation

Following deliberation at the company's general meeting of shareholders, the compensation structure for the members of DEC's 11th Board of Directors is as follows:

- ◆ **Independent Director Compensation:** Comprises an annual base remuneration and meeting allowances. The annual base remuneration is RMB 70,000, with an additional RMB 10,000 for those serving as committee conveners. Meeting allowances are paid based on attendance at board or committee meetings, at RMB 3,000 per session.
 - ◆ **Non-Independent Director Compensation:** Consists of a base annual salary, performance-based annual salary, and tenure-based incentive income. Specific evaluations and compensation are implemented in accordance with national regulations.
 - ◆ **Executive compensation:** The Company implements a term-based and contract-based management system for senior executives, with a compensation structure consisting of annual salary and term-based incentive income. Annual salary includes base salary, performance-based salary, and special awards. Compensation is determined based on company performance, individual job responsibilities, annual performance evaluations, and term-based performance assessments.
- The Company follows a high-quality development approach, with executive performance evaluation indicators covering: quality and efficiency indicators, technological innovation indicators, safety performance indicators (safety, environmental protection, and energy conservation), reform and development indicators, other key business objectives.

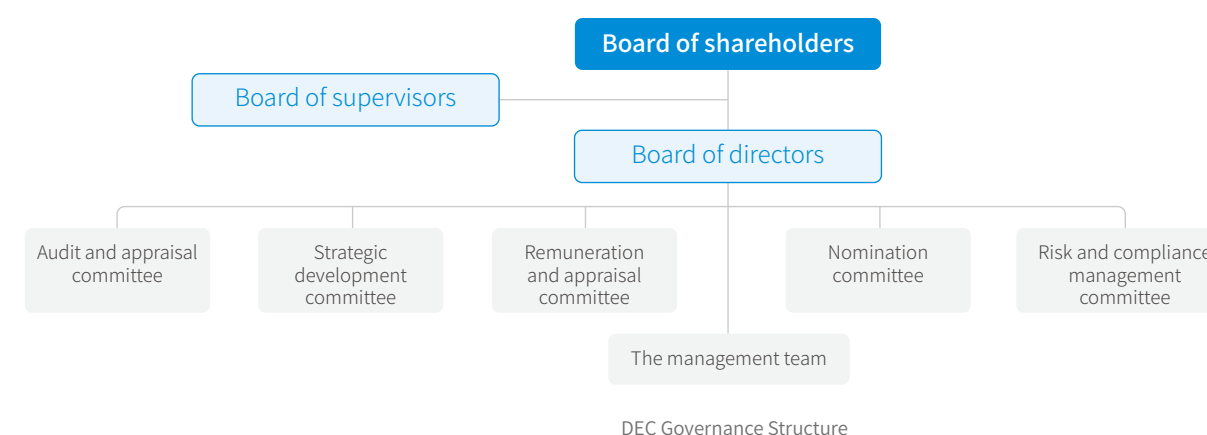
For more details, please refer to the company's periodic announcements and related materials.

Restricted stock incentive plan

At the end of 2019, DEC implemented an A-share restricted stock incentive plan. The first batch and reserved incentive shares were registered in January and November 2020, respectively, with 806 individuals granted shares. Notably, the company achieved all predetermined performance benchmarks for the 2020-2022 assessment period, As of 2024, resulting in the complete vesting of all granted shares.

The implementation of the incentive plan has aligned risks and rewards between the company and its employees, effectively driving rapid business growth, enhancing corporate cohesion, and stabilizing key personnel and teams.

Indicator	Unit	2022	2023	2024
Meeting of Board of Shareholders	Number	1	5	4
Meeting of Board of Supervisors	Number	8	7	9
Meeting of Board of Directors	Number	14	11	13



Related party transaction management

DEC adheres to the Shanghai Stock Exchange Listing Rules, Self-Regulatory Guidelines for Listed Companies No. 5 – Transactions and Related Party Transactions, and the Hong Kong Stock Exchange Main Board Listing Rules. The company has formulated a Related Party Transaction Management Policy that specifies matters, pricing principles, review procedures, and information disclosure to ensure fairness, transparency, and compliance. This safeguards the interests of shareholders, creditors, and investors, particularly minority shareholders.

In 2024, the 4th meeting of the 11th Board of Directors reviewed and approved the following framework agreements for 2025–2027: Procurement and Production Services, Sales and Production Services, Comprehensive Support Services, Financial Services, Property and Equipment Leasing (Lessee), Property and Equipment Leasing (Lessor), and Financial Leasing. These proposals were subsequently approved by the general meeting of shareholders.

The aforementioned reviewed continuing connected transactions are essential for maintaining the company's daily production and operational activities. These transactions are conducted in compliance with fair principles and general commercial terms, with terms and conditions no more favorable than those applicable to independent third parties. The transaction terms and pricing are reasonable and fair, aligning with the interests of both the company and all its shareholders. These transactions will not adversely affect the company's financial and operational conditions, nor will they compromise the company's independence or create any dependency on the connected persons.

Investor relations

Indicator	Unit	2022	2023	2024
Performance presentation and roadshow activity	Number	5	4	3
Information disclosure in public channel	Item	255	584	416



Performance Presentation

Building communication channels to safeguard minority shareholder rights and interests

The Company actively creates favorable conditions for shareholders to attend the General Meeting of Shareholders, carefully considering the timing and location of the meeting to facilitate participation, speech, and inquiries by minority shareholders. Sufficient opportunities are provided to ensure effective communication between investors and members of the Board of Directors, Board of Supervisors, and senior management.

In addition to on-site voting, the Company also offers online voting channels to ensure wider shareholder participation. Prior to the convening of the General Meeting of Shareholders, and following information disclosure requirements, the Company maintains open and extensive communication with investors, actively seeking their opinions and suggestions. The Office of the Board of Directors is responsible for regularly compiling investors' requests, promptly reporting them to the Board Secretary, and coordinating relevant departments to address such matters in accordance with laws and regulations, ensuring timely responses to investors' concerns.

The Company has established dedicated hotlines, fax numbers, and email addresses for investor communication, with designated personnel responsible for maintaining smooth communication during working hours.



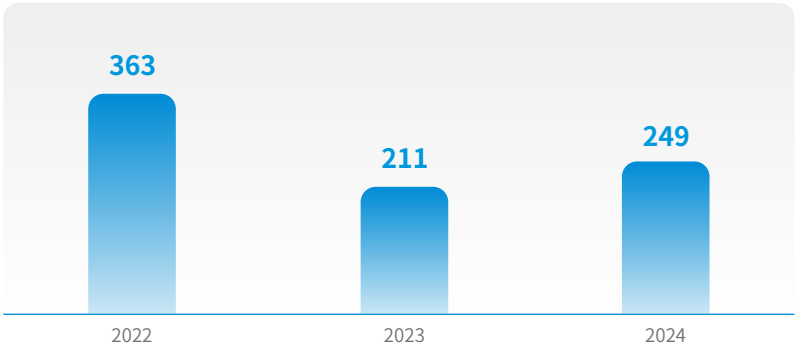
DEC's Meeting of Board of Shareholders

Quality management

DEC has built a quality management system across five dimensions: "demonstration leadership, strengthening foundations, climbing and improving, leapfrog development, and building defenses against failures". This system continuously enhances the company's quality assurance capabilities.

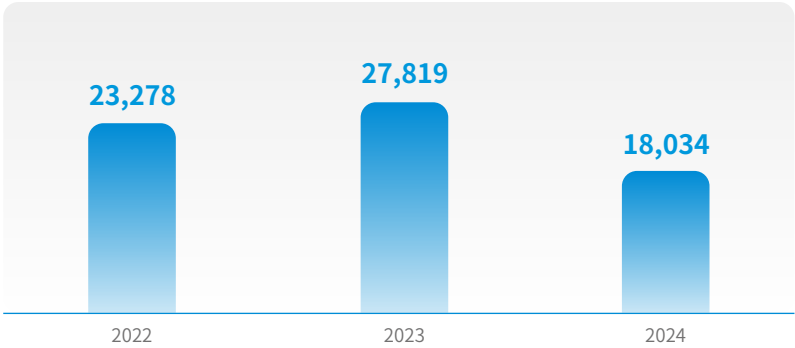
Quality training activities

Unit: Number



Participants in quality training activities

Unit: Persons



Quality Management System Certification

Quality benchmarking and improvement

- Released the Quality Leadership Competitiveness Indicator System and Evaluation Model (Trial).
- Established 21 evaluation indicators, incorporating 17 metrics such as product performance and customer satisfaction into industry benchmarking data.
- Scientifically evaluate the gaps between the company and industry benchmarks as well as world-class enterprises. Strengthen the weak points and leverage the strengths to continuously enhance the quality competitiveness.

Grassroots management

- Released the "Five Capabilities for Quality Excellence" Team Standards and acceptance guidelines to ensure the implementation of the quality management system at the grassroots level.
- Issued the Notice on "Strictly Enforcing Process Discipline and Strengthening Production Process Control", clarifying control requirements across 9 aspects, including quality awareness enhancement and inspection mechanisms, to strengthen the effectiveness of process discipline.
- Systematically summarized innovative quality management models such as the "Hydraulic Turbine Workshop Quality Performance Assessment" and "Quality Points System" at DEC Machinery.

Honor of responsibility



DEC Heavy Machinery received the third prize of Quality Technology Award issued by China Association of Quality



DEC Turbine was awarded the second prize of Quality Technology Award issued by China Association of Quality

Establishing and refining a leading lean operation indicator system

- Organized a comprehensive review of core control points for lean operations across enterprises, adopting a "one enterprise, one strategy" approach to define 13 evaluation dimensions and 79 evaluation points. This scientifically assesses weaknesses and gaps, helping enterprises identify precise directions for lean improvement
- Developed an assessment model focusing on "evaluating weaknesses, changes, progress, and breakthroughs". This effectively addresses issues such as unclear management weaknesses, hesitations in problem identification, and the lack of clear targets for benchmarking, driving the company's lean management transition from lean production to comprehensive lean operations
- Conducted pilot evaluations of the "Leading Lean Operation Indicator System", assisting pilot enterprises in identifying weaknesses and establishing a virtuous cycle of precise problem identification and targeted problem-solving

Leveraging and optimizing lean talent resources

- Formed the "DEC Lean Engine Support Team", comprising a "headquarters support team + internal consultant team + external expert team"
- Selected 42 internal lean management consultants across 10 specialties, providing approximately 160 person-days of support to six units, including DEC Wind and Dongfang Electric (Wuhan) Nuclear Equipment. This created a closed-loop application of talent, effectively resolving challenges in talent exchange and mutual assistance for lean initiatives

Lean management effectiveness

- All 23 key objectives were successfully accomplished**
- DEC Turbine and DEC Machinery have set new industry benchmarks by becoming the first companies within their sector—and among central enterprises—to attain Level 4 certification in both Intelligent Manufacturing Maturity and Digital Transformation Maturity
- DEC Machinery's "Precision Welding" QC Group: R&D on Welding Technology for Large Inlet Butterfly Valve Gates (**First Prize**)
- DEC Turbine's "Rhythm" QC Group: Enhancing First Pass Yield for F4++ Gas Turbine Blade Coatings (**Second Prize**)
- DEC Turbine's "Pioneer" QC Group: R&D on Independent Piping Technology for F4 Gas Turbine 5002 Pipelines (**Second Prize**)

Upholding Business Ethics

DEC remains firmly committed to business ethics, resolutely opposes unfair competition, and adheres to the principles of honesty and integrity. The Company places great emphasis on compliance management, continuously improving its compliance system. In the area of risk prevention and control, it has developed comprehensive policies. Besides, the company also emphasizes integrity building by strengthening defenses through party discipline education and clean governance initiatives, thereby providing essential safeguards for its development.



Anti-unfair competition

DEC consistently upholds the bottom line of business ethics, ensuring that compliance management is embedded throughout its entire business processes. The Company firmly opposes any form of unfair competition and resolutely rejects improper practices that seek competitive advantage through inappropriate means. DEC maintains an honest and trustworthy approach to business operations and is dedicated to promoting healthy and orderly development within the industry.

Tax transparency

DEC strictly complies with applicable laws and regulations, including the Corporate Income Tax, Value-added Tax Law, and other relevant tax statutes, fully fulfilling its tax obligations as a responsible corporate taxpayer. Key taxes applicable to DEC's operations include value-added tax (VAT), urban maintenance and construction tax, corporate income tax, property tax, among others, and all tax rates are implemented in accordance with national regulations.

Preferential tax policies

DEC and its subsidiaries are entitled to various tax incentives as prescribed by law:

- ◆ Pursuant to the Announcement on Continuation of Western Region Preferential Corporate Income Tax Policies, DEC and some of its subsidiaries, whose principal businesses align with the catalog of encouraged industries for Western China, enjoy a preferential corporate income tax rate of 15%.
- ◆ Subsidiaries such as DEC Hydrogen Energy, DEC Turbine, and DEC Machinery qualify for the high-tech enterprise certification, thereby benefiting from a 15% corporate income tax rate.
- ◆ Dongfang Electric Autocontrol Engineering (Dongfang Autocontrol) and its subsidiaries benefit from VAT refund policies for software products, enjoying partial VAT rebates under the "levy first, refund later" method.

Tax transparency disclosure

DEC discloses detailed tax information annually in its financial statements, including applicable tax rates, tax incentives, and their legal basis. Information on taxes payable is also included in the Company's regularly issued financial reports, further enhancing transparency in tax-related matters. For more details, please refer to the Company's annual financial reports.

Compliance operations

Compliance management serves as the cornerstone of DEC's stable and sustainable development. The Company attaches great importance to the implementation of compliance management, striving to translate complex compliance requirements into clear, actionable procedures, thereby effectively reducing the risk of violations.

Establishing a law observance and compliance system

Improving compliance management and operational mechanisms

- ◆ A special initiative has been launched to enhance the effectiveness of internal control, risk, and compliance operations. This initiative comprehensively reviews and addresses bottlenecks and challenges identified in the internal control and risk compliance process, focusing on three key areas: the construction of internal control and risk compliance management systems, risk and compliance management in critical sectors, and organizational safeguards for internal control and compliance.
- ◆ DEC has further clarified the supervisory responsibilities under the "Three Defense Lines" framework for risk prevention and improved the "Two Vertical and One Horizontal" risk management and control channels.
- ◆ The Company has also updated and released the latest versions of the Legal and Regulatory Database, Compliance Obligations List, and Job Description List.

Strengthening compliance management in key areas

- ◆ Focusing on emerging industries and technological innovation, the Company has conducted forward-looking risk and compliance research, and reviewed a total of 626 laws and regulations.
- ◆ Specialized compliance guidelines for nine business areas, including EPC (Engineering, Procurement, and Construction), EMC (Energy Management Contracting), BT (Build-Transfer), R&D, and investment and financing, have been formulated and issued, which identify business risk points and provide corresponding control measures, reference templates, and case studies.

Enhancing Overseas Compliance Management Capabilities

- ◆ Two-way compliance management has been effectively strengthened, closely monitoring changes in domestic and international laws, regulations, and policies. Specialized compliance guidelines have been developed, along with a dynamic review and release of policies for sensitive business areas.
- ◆ A comprehensive digital compliance risk management system for foreign-related transactions has been established, covering the entire process from procurement planning and contract signing to settlement and payment. This system enables automatic screening of sensitive foreign counterparties, precise triggering of compliance reviews, and effectively closes loopholes in compliance risk prevention for sensitive transactions.

Compliance management effectiveness



Compliance supervision measures have been continuously strengthened to promote integrity and compliance across the organization, with responsibilities for "business management and compliance management" further reinforced. twelve second-tier subsidiaries have formulated 323 compliance rules covering 47 areas, driving the integration of compliance into business operations. In total, subsidiaries have established 731 business process control checklists, identified **4,446** key control points, defined **4,609** control measures, and embedded **4,288** control points into business information systems.

In 2024, the Company will continue to diversify training methods and platforms, advancing a culture of integrity and compliance into enterprises, business units, projects, and front-line operations, and will carry out targeted and tiered law observance and compliance training in a practical and effective manner. The Company will strengthen legal knowledge and application among leadership, with new employees, compliance officers, compliance management leaders, general counsels (chief compliance officers), and foreign-related personnel identified as key training groups. Compliance training will be organized through a combination of online and offline formats, as well as internal and external programs, to ensure comprehensive coverage and effectiveness.

Indicator	Unit	2022	2023	2024
Investment in law observance and compliance training	RMB 10,000	55	58	62
Number of law observance and compliance training participants	Number	12,200	13,000	13,500
Business contract review rate	%	100	100	100

Throughout the year, four compliance lectures covering all levels of subsidiaries were organized, with over 1,600 participants. The legal service center delivered 18 legal and compliance training sessions for client companies. Additionally, nine micro-courses on key areas such as intellectual property, export control and economic sanctions, bidding and tendering, and contract signing were independently developed. Three legal and compliance consultation and communication activities were carried out at the headquarters to answer the questions and dispel the doubts of the vast number of employees.

Legal, risk control, and compliance training



High-end legal risk control compliance talent in foreign-related legal affairs training class



High-end legal risk control compliance talent ability enhancement training class

On-site legal and compliance consultation



Compliance lectures and routine legal training



Risk prevention and control

DEC has developed and refined four key regulations, including the Risk Management Regulations, establishing for the first time a comprehensive and systematic framework covering the operation of the risk control and compliance system, performance evaluation, and team development. As a pioneer among central enterprises, DEC has explored and established control requirements for major operational risk hazards, standardized the calculation of risk exposure amounts, and realized precise, scientific, and quantitative risk management.

The company will further enhance the development of the "Three Lines of Defense" mechanism

A dedicated Work Guideline for the "Three Lines of Defense" has been formulated, specifying detailed implementation requirements across key areas including oversight targets, system development, awareness campaigns, monitoring measures, performance evaluation, and accountability mechanisms. Functional supervision will be strengthened through institutionalized annual task lists, quarterly reporting systems, and year-end evaluation mechanisms, with corresponding assessment criteria being optimized. To ensure vertical alignment, the headquarters' functional supervision and evaluation framework will be extended to selected subsidiaries through pilot implementation programs.

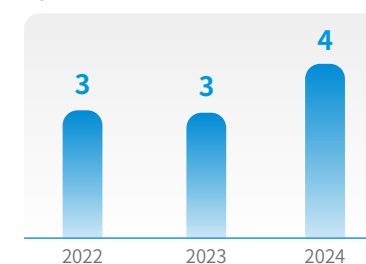
Enhancing the overall effectiveness of the risk management system

- ◆ **Timely rectification of key risk deviations** has been achieved by strengthening risk control formulating control objectives and measures, and establishing regular meeting mechanisms and tracking ledgers. The Company conducts monthly collaborative supervision, guidance, and strict assessments of relevant corporate risk management practices. Reminder letters have been issued to six enterprises to address key risks and target deviations, thereby enhancing the focus and effectiveness of risk control management.
- ◆ **Efforts have been made to strengthen emergency response capabilities** by establishing a cross-enterprise risk expert allocation mechanism that leverages emergency handling experience. Focusing on six major categories and 24 sub-categories of risks, including international operations, accounts receivable, customer credit, project performance, investment and mergers and acquisitions, and litigation disputes, DEC has selected 95 risk response experts from across the company to pool resources and provide professional support for enterprises in addressing major risks.

Frequency of audits Unit: Number



Special audit Unit: Number



Construction of integrity

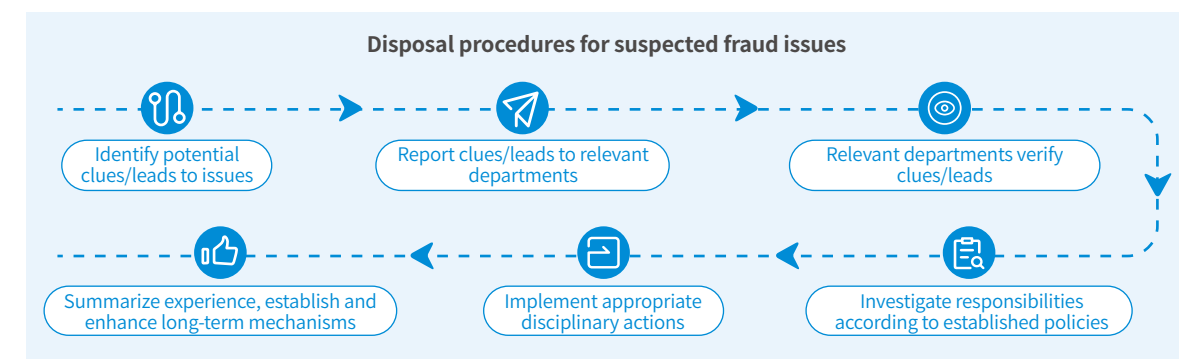
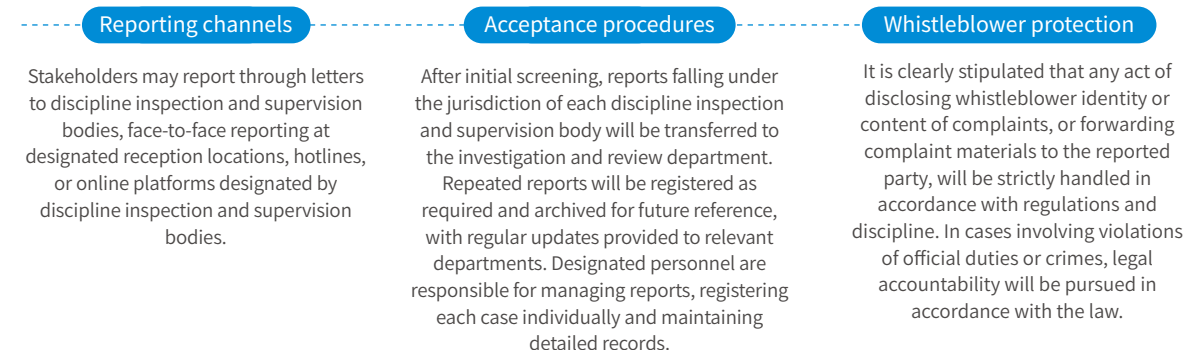
DEC has earnestly carried out Party discipline education, emphasizing integrity and compliance education. Joint anti-corruption warning sessions have been held with multiple Party branches, and integrity talks are conducted for new employees during onboarding. The "Ten Prohibitions on Work Style in Party School (Training Center)" have been released and implemented, along with the formulation of departmental negative work lists, aiming to build a workforce with "four key competencies".

Implementing party discipline education and strengthening integrity defense line

Leveraging the in-depth implementation of Party discipline education, DEC organized five special training programs, covering Party spirit cultivation for leaders, the spirit of the eight-point rules, Party conduct and clean governance, supervisory and disciplinary enforcement for full-time discipline inspection personnel, and inspection and oversight, with a total participation of 365 trainees and 1,160 trainee-days. The training focused on topics such as ideals and beliefs, Party principles, revolutionary traditions, Party conduct and anti-corruption, with an emphasis on case-based warning education and on-site learning.

Anti-fraud mechanism

DEC has formulated working procedures for handling whistleblowing and complaints by disciplinary and supervisory bodies, specifying reporting channels, acceptance procedures, and whistleblower protection policies.



Channels for reporting suspected violations of regulations, laws and discipline

Tel: 028-87898019
Email: jjxfjb@dongfang.com

Address: No. 18, Xixin Avenue, High-tech West Zone, Chengdu, Sichuan Province
Office hours: weekdays, 8:30–17:00

Strengthening Safety Defense Line

The Company has actively established and improved guidelines for safety production management evaluation and positive incentive mechanisms, strengthening process control through a "result assessment + process evaluation" system, fully building an "all-staff defense line". The company continues to advance fundamental risk management tasks in a coordinated manner, enhance risk prevention and control in key areas, and consistently improve the quality and effectiveness of hazard identification and rectification. Leveraging professional resources, the Company strengthens emergency management training and drills, and organizes various themed safety training activities.

Safety management

The Company has formulated guidelines for safety production management evaluation, which strengthen process control through the establishment of control, restrictive, and guiding indicators, and form an integrated assessment system combining result assessment and process evaluation. The company has also innovatively established positive safety incentive mechanisms, including the safety and environmental protection reward measures and internal hazard reporting reward measures, to fully motivate companies to proactively enhance safety management and encourage employees to actively report hazards, further strengthening the "all-staff defense line."

During the reporting period, the company recorded no serious or above production safety accidents, major fire incidents, or sudden environmental pollution events, maintaining stable and controlled safety and environmental conditions. DEC has been recognized as an advanced unit in work safety by the Sichuan Provincial Work Safety Committee for five consecutive years.

Building a new safety management framework



Advancing key tasks under the three-year fundamental risk management action plan in a coordinated manner

Focusing on fundamental safety management and evaluation tasks, the Company prioritizes consolidating foundations and strengthening fundamentals, effectively applying the integrated process evaluation and result assessment system, systematically implementing safety responsibilities and measures, comprehensively preventing various safety risks, and continuously advancing safety management to a higher level.



Strengthening risk prevention and control in key areas and critical processes

The Company strengthens leadership inspections to reinforce safety responsibilities at all levels, emphasizes risk identification and prevention in engineering construction, field operations, lifting operations, and fire safety, formulates and implements targeted control measures, and advances grid-based on-site safety management and standardized safety teams, ensuring effective implementation of grassroots safety responsibilities.

Indicator	Unit	2022	2023	2024
Anti-corruption training activity	Number	189	534	2,294
Anti-corruption activity participants	Persons	15,976	23,959	42,819

Improving the quality and effectiveness of hazard identification and rectification

- ◆ 6 major areas and 68 key inspection items have been reviewed, and standards for determining major accident hazards have been further refined and improved.
- ◆ The Company has conducted supervisory inspections on major hazardous sources of hazardous chemicals, the Mulei wind power base, and the offshore manufacturing base, identifying and addressing over 120 hazards.
- ◆ Solid efforts have been made in hazard identification and rectification, with 36 supervisory inspections conducted across 14 companies focusing on high-risk activities such as working at heights, lifting operations, project construction, hazardous chemical management, and fire safety, using methods like "unannounced inspections" and cross-checks.
- ◆ Companies have made full use of industry experts, professional technical service providers, and experienced safety technicians to organize 15 cross-checks and assistance sessions.
- ◆ Following the State Council Work Safety Committee's Opinion on Establishing and Improving the Internal Hazard Reporting Reward Mechanism for Enterprises, the Company has established a sound internal hazard reporting reward system, ensuring smooth channels for employees to proactively report hazards and encouraging them to propose reasonable suggestions for rectification.



DEC Heavy Machinery has carried out dock flood and typhoon prevention emergency drills, based on recent local climate and natural disaster conditions.



Dongfang Electric Autocontrol Engineering has organized emergency evacuation drills to address the uncertainties and suddenness of disasters.

Emergency management

Relying on the Chengdu base for natural disaster engineering rescue under the Emergency Management Department, the Company has trained 65 professional rescue team members on earthquake, flood, and fire response, and has organized over 1,900 emergency drills, covering confined space rescue, earthquake evacuation, flood and heat prevention, and firefighting.



DEC Machinery has developed a "three defenses" work plan, focusing on key areas such as university dormitories, and organized emergency drills for earthquake and flood prevention.



DEC Turbine has conducted emergency drills focusing on confined space accidents and fire emergency evacuations.



DEC Boiler has focused on earthquake emergency response, organizing joint emergency rescue team drills to conduct emergency rescue operations.



DEC Wind has organized high-altitude nacelle evacuation emergency drills at the Northwest Service Center.

Safety training

Focusing on the theme "Safety Awareness and Emergency Readiness for All — Ensuring Unimpeded Passage for Life", the Company organized a series of Safety Production Month activities, including safety messages, safety commitment and fulfillment, joint safety initiatives, and safety pledges. In 2024, the Company conducted 184,034 safety training sessions, with a total investment of RMB 15,363.89 in safety training.

Honor of responsibility

- ◆ DEC Turbine has established a safety training and education base and was recognized as an "Advanced Unit" in Sichuan Province's Safety Production Month activities.
- ◆ The "carbon emission reduction" technology research and engineering application team of DEC Turbine was awarded the title of "National Youth Safety Production Demonstration Post".



Future prospect

All that has passed is but a prologue. 2024 is a year of endeavor. Looking back on the journey of hard work, though the mountains are high and the roads are long, we have persevered through all challenges, nurturing achievements with dedication and forging a picture of responsibility through relentless effort. Looking ahead, as countless boats vie to move forward and sails race against the wind, we will continue to forge ahead with determination and write a magnificent chapter through sustained endeavor.

Looking to the future, a new journey begins. 2025 marks the final year of the 14th Five-Year Plan and a critical period for shaping the 15th Five-Year Plan. DEC will more closely unite around the CPC Central Committee with General Secretary Xi Jinping at its core, guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and fully implement the guiding principles of the 20th CPC National Congress. Upholding the development concepts of green, innovation, openness, and sharing, DEC will seize opportunities, adapt to trends, and advance by leveraging momentum. The Company will accelerate its development into a world-class equipment manufacturing company, contributing greater "Dongfang power" to China's path of modernization.



Annex

Key performance

Financial performance

Indicator	Unit	2022	2023	2024
Total assets	RMB 100 million	1,153.44	1,211.08	1,420.09
Total operating revenue	RMB 100 million	553.64	606.77	696.95
Total profit	RMB 100 million	33.27	40.06	38.84
Net profit	RMB 100 million	30.14	36.44	32.88
Total taxes	RMB 100 million	23.60	21.89	29.26
Owners' equity	RMB 100 million	386.36	412.20	431.42
Earnings per share	RMB/share	0.92	1.14	0.94

Environmental performance

Level I indicator	Level II indicator	2022	2023	2024
Greenhouse gas	Greenhouse gas emission (10,000 tons)	27.40	27.49	29.50
	Including: direct emission (scope 1) (10,000 tons)	8.50	8.10	8.50
	Indirect emission (scope 2) (10,000 tons)	18.90	19.40	21.00
	Greenhouse gas emission density (ton/RMB 10,000)	0.050	0.045	0.041
Exhaust gas	Sulfur dioxide (SO2) (ton)	164.50	159.4	160.80
	SO2 emission density (ton/RMB 10,000)	0.00003	0.000026	0.000023
	Nitric oxide (NOx) (ton)	252.40	276.30	265.20
	NOx emission density (ton/RMB 10,000)	0.00005	0.000046	0.000038
Wastewater	Wastewater discharge amount (ton)	125.20	134.60	127.50
	Wastewater discharge density (ton/RMB 100 million)	0.2262	0.2218	0.1827
	COD (ton)	288.5	274.70	270.60
	COD emission density (ton/RMB 10,000)	0.00005	0.000045	0.000039
	Ammonia nitrogen (ton)	67.50	66.90	65.80
	Ammonia nitrogen emission density (ton/RMB 10,000)	0.00001	0.00001	0.000009

Level I indicator	Level II indicator	2022	2023	2024
Waste	Hazardous waste emission (ton)	1,699	2,496.60	7163.50(the increase is primarily due to oil-containing iron filings in accordance with the latest national hazardous waste management requirements)
	Hazardous waste emission density (ton/RMB 10,000)	0.0003	0.0004	0.001
	Non-hazardous waste emission (ton)	22,168	28,066.5	32,008.8
	Non-hazardous waste emission density (ton/RMB 10,000)	0.0040	0.0046	0.00459
	Total quantity of recycled waste (ton)	20,076	17,490	27,540
Energy consumption	Comprehensive energy consumption (tons of standard coal)	95,834	93,013	99,094
	Comprehensive energy consumption per ten thousand yuan output value (tons of standard coal/RMB 10,000)	0.017	0.015	0.0142
	Electricity (10,000kWh)	32,350	33,115.4	36,423.3
	Natural gas (10,000m3)	3,805	3,654.30	3,812.40
	Gasoline (ton)	592.7	575.4	553.2
	Diesel (ton)	590.5	486.8	455.2
Water resource	Water savings(ton)	2,396,000	10,131,000	12,076,706
	Water resource consumption (10,000 tons)	340	344.50	370.70
	Water resource consumption per RMB 10,000 output value (ton/RMB 10,000)	0.614	0.568	0.532
Packing material	Consumption of packing material (ton)	15,064	14,549	17,359
	Consumption density of packing material (ton/RMB 10,000)	0.0027	0.0024	0.0025
	Wooden box (ton)	7,745	7,608	9,764
	Carton (ton)	51	350	184
	Plastics (ton)	144	264	331
	Channel steel (ton)	6,810	6,084	6,710
	Other materials (ton)	314	244	370
Environmental protection input	Environmental protection capital input (RMB 10,000)	5,968	6,251	5,855
New energy consumption	Consumption of new energy, renewable energy, or clean energy (10,000kWh)	12,058	16,446	21,993
Ecological protection	Major environmental pollution accident (number)	0	0	0
	Environmental protection training (persons)	106,795	373,259	184,034
	Environmental protection training coverage (%)	100	100	100

Social performance

Level I indicator	Level II indicator	2022	2023	2024
Employment	Total employees (persons)	17,463	17,426	18,033
	Male employees (persons)	14,434	14,463	15,014
	Female employees (persons)	3,029	2,963	3,019
	Contract employees (persons)	17,463	17,426	18,033
	Part-time/agreement employees (persons)	3	99	85
	Labor dispatch employees (persons)	707	588	498
	Signing rate of labor contract (%)	100	100	100
	Social insurance coverage (%)	100	100	100
	Employee statistics by age (person)	>35 years old	11,659	11,711
		<35 years old (including 35)	5,805	5,715
	Employee statistics by region (person)	Chinese employees	17,463	17,423
		Overseas employee	0	3
	Loss early Number of in accordance Gender divide the employees (person)	Male	165	155
		Female	29	30
	Employee turnover (persons)	194	195	188
	Employee turnover rate (%)	1.11	1.11	1.04
Development and training	Employee training input (RMB 10,000)	5,362.24	5,060.92	6,580
	Training participants (persons)	120,991	151,371	170,524
	Percentage of female employees trained (%)	-	-	16.74
	Percentage of male employees trained (%)	-	-	83.26
	Percentage of senior management trained (%)	-	-	0.69
	Percentage of middle management trained (%)	-	-	8.71
Health and	Investment in work safety (RMB 100 million)	1.25	1.70	1.50
	Safety education and training sessions (times)	-	-	5,697
	Safety training participants (persons)	106,795	373,259	184,034
	Emergency drills (times)	180	500	830
	Emergency drills participants (persons)	1,416	2,111	2,420
	Serious and above work safety accidents (cases)	0	0	0
	Work-related deaths (persons)	0	0	0
	Work-related fatality rate (%)	0	0	0
	Lost days due to work injury (person-day)	0	0	0
	Physical examination rate of employees (%)	100	100	100
Supply chain management	Total suppliers (number)	17,675	15,576	18,444
	Domestic suppliers (number)	16,925	14,798	17,449
	Proportion of domestic suppliers (%)	95.76	95.00	94.60
	Suppliers newly increased within the reporting period (number)	3,483	3,376	3,227

Level I indicator	Level II indicator	2022	2023	2024
Quality management	Quality training activities(Number)	363	211	249
	Participants in quality training activities(Persons)	23,278	27,819	18,034
Community investment	Total investment in rural revitalization (RMB 10,000)	2,052	2,218.37	2,503.11
	Counties receiving paired assistance (number)	2	2	2
	Employee voluntary activities (times)	1,205	1,209	2,085
	Voluntary activity participants (persons)	9,210	13,977	16,559
	Total amount of donation (RMB 10,000)	2,164	2,427	2,590

Governance performance

Level I indicator	Indicator	2022	2023	2024
Board governance	General shareholder meetings held (No.)	1	5	4
	Supervisory board meetings held (No.)	8	7	9
	Board of directors meetings held (No.)	14	11	13
Law observance and compliance	Investment in law observance and compliance training (RMB 10,000)	55	58	62
	Law observance and compliance training participants (persons)	12,200	13,000	13,500
Audit	Frequency of audit (Number)	105	82	70
	Special audit (Number)	3	3	4
Anti-corru	Anti-corruption training (times)	189	534	2,294
	Anti-corruption training participants (persons)	15,976	23,959	42,819
	Corruption lawsuit cases finished within the reporting period (number)	0	1	2
Scientific and technological innovation	R&D input (RMB 100 million)	31.05	33.86	38.16
	R&D personnel (persons)	4,361	4,274	4,272
	R&D intensity (%)	5.61	5.58	5.48
	The proportion of investment in strategic emerging industries (%)	-	-	60.0
	The year-on-year growth rate of investment in strategic emerging industries (%)	-	-	33.12
	Valid patents (number)	3,336	3,828	4,053
	Patents for invention (number)	1,282	1,548	1,777
	Newly increased valid patents (number)	532	545	507
	Newly increased patents for invention (number)	183	256	205
	National-level R&D platforms (number)	3	4	4
	Provincial and ministerial-level R&D platforms (number)	12	12	15
Product responsibility	Percentage of total products sold or shipped subject to recalls for safety and health reasons (%)	0	0	0
	Major quality accidents and major customer complaints (number)	0	0	0
	Customer satisfaction (%)	-	89.90	90.88

Remark: The caliber of customer satisfaction is the full industrial caliber.

Indicator index

HKEX ESG Reporting Guide

Topic	Performance indicators	Sections cited/ description
Mandatory disclosure provisions		
Management and governance framework		P10-11
Report principle		P8-9
Report scope		P8-9
Part C: "Comply or explain" provisions		
Major category A--Environment		
A1 Emission	General disclosure: policies on air emissions, discharges into water and land, generation of hazardous and non-hazardous waste, and compliance with relevant laws and regulations that have a significant impact on the issuer. Note: Air emissions include nitrogen oxides, sulfur oxides, and other pollutants regulated by national laws and regulations. Hazardous waste refers to waste as defined under national regulations.	P48-49
	A1.1 The types of emissions and respective emissions data.	P49
	A1.2 Total hazardous waste produced (in tonnes) and, if applicable, its intensity (e.g., per unit of production, per facility).	P49
	A1.3 Total non-hazardous waste produced (in tonnes) and, if applicable, its intensity (e.g., per unit of production, per facility).	P49
	A1.4 Description of emission reduction targets set and steps taken to achieve those targets.	P48-49
	A1.5 Description of methods for handling hazardous and non-hazardous waste, and of waste reduction targets set and steps taken to achieve those targets.	P48-49
A2 Use of Resources	General disclosure: policies about effective resource utilization (including energy, water, and other raw materials) Note: Resources may be used in production, storage, transportation, buildings, electronic equipment, etc.	P50
	A2.1 Direct and/or indirect energy consumption by type (e.g., electricity, gas, or oil) in total (in 1,000 kWh) and intensity (e.g., per unit of production, per facility).	P106-107
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P106-107
	A2.3Description of energy use efficiency target(s) set and steps taken to achieve those targets.	P48
	A2.4 Description of any issues in sourcing water and water efficiency targets set and steps taken to achieve those targets.	P48
	A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, concerning per unit produced.	P107
A3 Environment and Natural Resources	General disclosure: policies about reducing the issuer's major impact on the environment and natural resources.	P46-48
	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P46-48

Topic	Performance indicators	Sections cited/ description
Major category B--Social		
Employment and labor rule		
B1 Employment	General disclosure: information on compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare, and compliance with relevant laws and regulations that have a significant impact on the issuer.	P60
	B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group, and geographical region.	P108
	B1.2 Employee turnover rate by gender, age group, and geographical region.	P108
B2 Health and Safety	General disclosure: policies about providing a safe working environment and protecting employees from occupational disease hazards, and data about compliance with appropriate laws and regulations that have a major impact on the issuer.	P65-66
	B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	P107
	B2.2 Lost days due to work injury.	P108
	B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	P65-66
B3 Development and Training	General disclosure: policies about improving the employees' knowledge and skills in performing work responsibility. Description of training activities. Note: Training refers to vocational training and may include internal courses paid by the employer.	P62-65
	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P108
	B3.2 The average training hours completed per employee by gender and employee category.	P108
B4 Labour Standards	General disclosure: policies about preventing child labor or forced labor, and data about compliance with appropriate laws and regulations that have a major impact on the issuer.	P60
	B4.1 Description of measures to review employment practices to avoid child and forced labor.	not involve
	B4.2 Description of steps taken to eliminate such practices when discovered.	not involve
Operation practice		
B5 Supply Chain Management	General disclosure: policies about managing the environmental and social risks of the supply chain.	P74-76
	B5.1 Number of suppliers by geographical region.	P108
	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	P74
	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	/
	B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	P76

Topic	Performance indicators	Sections cited/ description
B6 Product Responsibility	General disclosure: policies about providing health and safety, advertisement, labels, privacy matters, remedial measures, and data about compliance with appropriate laws and regulations that have a major impact on the issuer.	P72-73
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The products of our company are not applicable
	B6.2 Number of products and service-related complaints received and how they are dealt with.	P72
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	P37
	B6.4 Description of quality assurance process and recall procedures.	/
	B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	/
B7 Anti-corruption	General disclosure: policies about preventing bribery, blackmail, fraud, and money laundering, and data about compliance with appropriate laws and regulations that have a major impact on the issuer.	P100-101
	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	/
	B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	P100
	B7.3 Description of anti-corruption training provided to directors and staff.	P100
Community		
B8 Community Investment	General disclosure: policies of understanding the requirement of the community of the operating site and the community interest to be considered for ensuring business activity through community participation.	P80-84
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	P84
	B8.2 Resources contributed (e.g. money or time) to the focus area.	P80
Part D: Climate-related disclosures		
Climate-related disclosures	Governance: the issuer should disclose information about the governance bodies (such as the board, committees, or other equivalent governance bodies) or individuals responsible for overseeing climate-related risks and opportunities, and the management's role in monitoring, managing, and supervising these risks and opportunities.	P51
	Strategy: The issuer should disclose information enabling understanding of climate-related risks and opportunities reasonably expected to affect cash flows, access to finance, or cost of capital over the short, medium, and long term, and their current and anticipated impacts on the business model and value chain.	P52-53
	Strategy and decision-making: the issuer should disclose how climate-related risks and opportunities impact its strategy and decision-making processes.	
	Risk management: (a) Processes and related policies for identifying, assessing, prioritizing, and monitoring climate-related risks. (b) Processes for identifying, assessing, prioritizing, and monitoring climate-related opportunities, including whether and how scenario analysis is used. (c) How these processes are integrated into the issuer's overall risk management framework.	P54-55

Topic	Performance indicators	Sections cited/ description
	Metrics and targets: (a) Total greenhouse gas (GHG) emissions: scope 1, scope 2, and scope 3 emissions. (b) Methodology for recording greenhouse gas emissions: including measurement methods, input data, and assumptions used to calculate GHG emissions; reasons for choosing such methodologies, input data, and assumptions; and any changes to methodologies, input data, and assumptions during the reporting period, along with reasons for such changes. (c) Disclosure of location-based scope 2 greenhouse gas emissions, and provision of any necessary contractual documentation to help understand these emissions. (d) Scope 3 categories disclosed by the issuer according to the GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	P56-57
	Climate-related transition risks: the amount and percentage of assets or business activities exposed to climate-related transition risks.	P52-53
	Climate-related physical risks: the amount and percentage of assets or business activities exposed to climate-related physical risks.	P52-53
	Climate-related opportunities: the amount and percentage of assets or business activities related to climate-related opportunities.	Refer to the annual financial report
	Capital allocation: capital expenditures, financing, or investments related to climate-related risks and opportunities.	P55
	Internal carbon pricing: whether and how the issuer applies internal carbon pricing in decision-making (e.g., investment decisions, transfer pricing, and scenario analysis), and the price per ton of GHG emissions used to assess the cost of emissions, or an appropriate negative statement confirming that the issuer does not apply carbon pricing in decision-making.	in progress
	Remuneration: whether and how climate-related considerations are incorporated into remuneration policies, or provision of an appropriate negative statement.	P91
	Industry metrics: the issuer is encouraged to disclose industry metrics related to one or more specific business models and activities, or to common characteristics of the industries in which they operate. Reference can be made to the IFRS (S2) Climate-related Disclosures: Industry-based Guidance and other international ESG reporting frameworks for industry-specific metrics relevant to the disclosure topic, and consideration should be given to their applicability.	P107
	Climate-related targets: the issuer is required to disclose qualitative and quantitative climate-related targets set to monitor progress in achieving their strategic objectives, as well as any targets mandated by laws or regulations, including GHG emission targets.	P57

SSE Guidelines for Sustainability Reporting

Dimensions	Serial Number	Topic	Sections cited/description
Environment	1	Response to climate change	P51-57
	2	Pollutant emissions	P48
	3	Waste treatment	P49
	4	Ecosystem and biodiversity protection	P85
	5	Environmental compliance management	P46-48
	6	Energy utilization	P48
	7	Water resource utilization	P48
	8	Recycling economy	P50
Social	9	Rural revitalization	P22-29, P80-82
	10	Social contribution	P83-84
	11	Innovation-driven development	P32-39
	12	Scientific and technological ethics	不涉及
	13	Supply chain security	P74-76
	14	Equal treatment of small and medium-sized enterprises	P77
	15	Product and service safety and quality	P93-95
	16	Data security and customer privacy protection	P72-73
Sustainability-related governance	17	Employee	P60-69
	18	Due diligence	/
	19	Communication with stakeholders	P12-18
	20	Anti-bribery and anti-corruption	P100
	21	Anti-unfair competition	P96-98

Feedback

Dear reader,

Hope you're having a great day! Thank you for reading the Environment, Social, and Governance Report of Dongfang Electric Co., Ltd. (2024). We highly value and hope to hear your feedback on DEC's environmental, social, and governance report. Your opinions and suggestions are important foundations for our ongoing ESG governance and practices. You can copy and fill out the form below and send it to us via email or fax. We warmly welcome and sincerely appreciate your valuable feedback!

Choice question (please check the applicable item)

1. Do you think this report reflects DEC's significant impacts on the economy, society, and environment?

☐ Yes

☐ Average

☐ No
2. Do you think the identification and analysis of stakeholders and their relationship with DEC are accurate and comprehensive?

☐ Yes

☐ Average

☐ No
3. Do you think the information disclosed in this report is comprehensive?

☐ Yes

☐ Average

☐ No
- 4.Do you think the information disclosed in this report is readable?

☐ Yes

☐ Average

☐ No

Open-ended questions

1. What additional information that you care about has not been disclosed in this report?
2. What improvements do you think could be made to this report?

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